PEOPLE *in the news*

Innovator or Outlaw? Focus Is on Utah's Chief Regulator

By TERESA CARSON

LOS ANGELES — Normally, the commissioner of financial institutions for Utah does not spend a lot of time in the national spotlight. But George R. Sutton is grabbing attention because the Office of Thrift Supervision is suing him and because he is breaking ground on interstate banking.

Despite this, the 43-year-old Mr. Sutton is not considered a radical. "He is a fair and innovative regulator. He is not reckless or on the fringe," said David Adams, president and chief executive of the Utah League of Credit Unions, Salt Lake City.

George R. Sutton

The OTS is suing Mr. Sutton for allowing a thrift to switch to a bank charter without the agency's approval. It accused Mr. Sutton of defying an OTS order to seize Home Savings Bank, Salt Lake City, and instead encouraging the thrift to convert to a commercial bank.

In another case with national implications, Mr. Sutton allowed BankAmerica Corp., San Francisco, to branch into Utah using an Arizona bank charter. This eliminated the need for a separate Utah bank charter and is considered a major step toward interstate branch banking.

"I'm not trying to stir the waters," said Mr. Sutton, a native of Salt Lake City who studied philosophy at the University of Utah. But he admitted, "I'm willing to look at the regulatory framework a little differently."

Sutton Has Been a Utah Regulator for 7 Years

Mr. Sutton was appointed to his current post three years ago, after being deputy commissioner for four years. Before becoming a regulator, he worked for two small Salt Lake City law firms, where he specialized in real estate and small business.

As commissioner, Mr. Sutton oversees about 185 financial institutions – banks, thrifts, and credit unions – with about $7.5 billion in assets.

Lawry Alder, executive vice president of the Utah Bankers Association described Mr. Sutton as an accessible regulator. "You might have problems with one regulator trying to regulate several industries," he said. "But George tries to be fair."

Resolving Collapse of Thrift and Loan Industry

Mr. Sutton got a trial by fire as a regulator. When he came to the department in 1983, he said, "the thrift and loan industry and its insurance fund was in a general state of collapse." He and the former commissioner eventually closed six of the state's seven thrift and loans.

Mr. Sutton said he tries to balance his concern for safety and soundness with how financial institutions must respond to changing markets. "The health of a financial institution depends on its ability to operate successfully," he said. "They must compete with less regulated businesses, or we doom them to fail." □

NEWS *briefs*

Torell Is Named Chairman Of Fortune Financial Group

CLEARWATER, Fla. — John R. Torell 3d, a former president of Manufacturers Hanover Corp. and chairman of CalFed Inc., was named chairman of Fortune Financial Group, parent of the $3 billion-asset Fortune Savings Bank.

Mr. Torell, 50, succeeds John A. Moran, who is chairman of Dyson-Kissner Moran Corp., New York. The latter company owns 9.97% of Fortune Financial's stock and has applied to the Office of Thrift Supervision for permission to buy up to 20%. The OTS required Mr. Moran to relinquish his Fortune post as a condition of the stock purchase.

Hove Appointment to FDIC Clears Senate Panel, 19-0

WASHINGTON — The Senate Banking Committee voted 19-0 to recommend that the Senate confirm the nomination of Andrew Hove to the Federal Deposit Insurance Corp. board.

Mr. Hove would fill a seat on the five-member board.

Northeast's Shareholders Approve of Restructuring

HARTFORD, Conn. — Shareholders of Northeast Savings have approved the formation of a holding company, Northeast Federal Corp. The Office of Thrift Supervision supported the move in April as part of a reorganization and capital-raising plan.

MCorp Signs Deal to Sell Waco Bank to Investors

DALLAS — MCorp said it has executed a definitive agreement to sell its interest in MBank Waco to a private investor group led by Gerald J. Ford, an owner of several Texas financial institutions.

MCorp, which is in bankruptcy, owns 100% of MBank Waco, which had $333 million in assets and $329 million in deposits March 31. □

Treasury Fears Home Loan Exits

Sees Threat To Funding Of Bailout

By DEBRA COPE

WASHINGTON — A senior Treasury Department official warned this week that an exodus of thrifts from the Federal Home Loan Bank System could impair the system's ability to contribute to the costs of the thrift bailout.

The warning led the Federal Deposit Insurance Corp. board to postpone a discussion at its meeting Tuesday on whether to permit a Wisconsin thrift to retain FDIC insurance after its planned departure from the Federal Home Loan Bank of Chicago.

State-chartered thrifts have traditionally been members of the Home Loan Bank System, but it is not clear whether membership is required for deposit insurance coverage.

Temptation to Cash In

Membership in the system gives thrifts access to liquidity and other operating services. But with the system's earnings lagging, several thrifts have served notice to regional home loan banks that they wish to cash in their shareholdings and reinvest the money elsewhere.

In a Tuesday letter to FDIC Chairman L. William Seidman, Deputy Treasury Secretary John Robson urged the insurance agency to delay a decision on whether to let Wauwatosa Savings and Loan Association keep FDIC coverage after leaving the Home Loan Bank System.

The $352 million-asset thrift was the first to decide to leave the bank system and is the only one to have formally applied for a dispensation from the FDIC.

Taking Extra Time

Mr. Seidman's top aide, John Bovenzi, said Thursday that the

See **HOME LOAN** *page* **13**

The Thrifts that Want Out

Applicants to leave the Federal Home Loan Bank System, as of June 25

Institution	Home loan district	Assets (dollars in millions)	Value of FHLB stock (dollars in thousands)
Security Savings & Loan, Milwaukee	Chicago	$2,100	$14,000
Republic Capital Bank, Milwaukee	Chicago	636	3,600
Kenosha S&L Association, Kenosha, Wis.	Chicago	380	2,800
Wauwatosa Savings & Loan, Wauwatosa, Wis.	Chicago	352	3,000
Home Savings Bank, Appleton, Wis.	Chicago	152	1,100
First S&L Association, Mt Vernon, Mo.	Des Moines	147	800
La Jolla Savings Bank, La Jolla, Calif.	San Francisco	144	880
American Home S&L, St Louis	Des Moines	81	500

Sources: Federal Housing Finance Board and American Banker

First Union and Wachovia Increase Profits

By KENNETH CLINE

ATLANTA — First Union Corp. reported its profits rose 5.7% in the second quarter, and First Wachovia Corp. announced an 11% increase.

Meanwhile, NBD Bancorp Inc. reported that second quarter earnings rose 2.9% to $68 million.

First Union, Charlotte, N.C., and Wachovia, Winston-Salem, did not take any special loan loss provisions related to exams by the Office of the Comptroller of the Currency, which have caused serious problems at some other Southeastern banks.

First Union's nonperforming assets rose 23%, to $616 million. The company's results incorporated for the first time the full effects of its January acquisition of Jacksonville-based Florida National Banks of Florida Inc.

Gerard J. O'Meara, an analyst with the Atlanta-based brokerage firm Robinson-Humphrey Co., estimated that 45% of First Union's nonperforming assets derived from Florida National's portfolio.

James M. Rosenberg, an analyst with Shearson Lehman Hutton Inc. in New York, said First Union's nonperformers were "a little higher than expected," but expressed overall approval of the second-quarter numbers.

"First Union has been stalled for several years," Mr. Rosenberg said. "These numbers are beginning to show they're generating a little bit of steam after a long period in the station."

In the first half of the year, First Union earned $149 million, compared with a $146 million in the period a year earlier. The year-ago period included after-tax gains of $6 million, primarily from the sale of mortgage servicing rights.

First Wachovia, long considered one of the Southeast's best-run banks, continued its stellar earnings record despite its OCC exam.

"As expected, the impact [of

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COMMENT / *By Philip S. Corwin*

Insurance Powers Arrived In Bits, Pieces over a Decade

The struggle in the past decade to expand insurance opportunities for commercial banks has been arduous. In Congress, particularly, it's been a cliffhanger.

In 1982, Title VI of the Garn-St Germain Act permanently restricted the Federal Reserve's power to permit new insurance activities by bank holding companies. In 1984, the Senate passed the Dodd amendment, which would have barred insurance activities by the two-thirds of state banks in bank holding companies. The measure died, but a one-year moratorium in 1987 froze federal regulatory action on the issue. In 1988, insurance provisions in the Proxmire bill would have both reaffirmed and restricted states' rights. It died, too.

Openings in Present Laws

The role of the American Bankers Association in the turbulent 1980s was to resist anti-competitive legislation while pushing for financial restructuring.

And while no federal law on the subject has been enacted since 1982, the ABA has explored opportunities available under existing law. It has helped individual banks seeking regulatory approval, state banking associations advancing state initiatives, and participants in critical litigation.

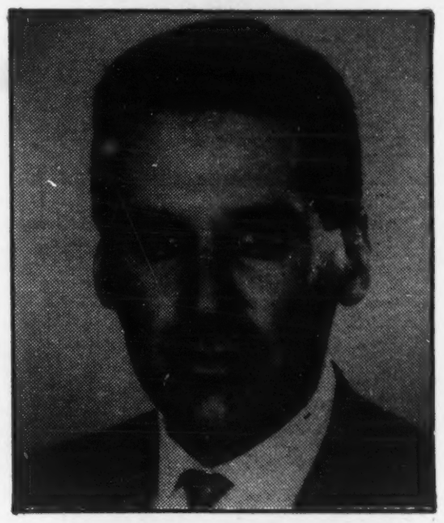
After simmering for years, the insurance powers pot has suddenly boiled over. New avenues have opened to banks seeking enhanced revenues and customer relationships through insurance products and services.

The remainder of this article reviews these new options.

Fixed Annuities Power

Feb. 12, the Office of the Comptroller of the Currency advised Goodhue County National Bank of Red Wing, Minn., that it could sell fixed annuities under the general authority of national banks to broker financial investment instruments.

Though generally marketed as a species of insurance, annuities



The ABA has explored opportunities available under existing law.

are not insurance under the National Bank Act because they lack the basic characteristic of indemnification against risk.

An April 1985 ruling by the OCC had allowed national banks to sell variable annuity contracts as securities that may be traded for the account of customers under authority of the Glass-Steagall Act. If the interpretation on fixed annuities withstands legal challenge, national banks will be able to market the full spectrum of annuity products – quite an opening, given that annuities generate about half of all life insurance company premiums.

Publicizing a Distinction

While judging as minimal the risk that customers may confuse annuities with Federal Deposit Insurance Corp.-insured accounts, the OCC nonetheless required full disclosure of this distinction.

Further, before an annuity sale, the bank must obtain a signed customer statement of understanding that the annuity is an obligation of the issuing insurance company and is not FDIC-insured. Also, banks are instructed to determine and fully comply with state laws governing annuity sales.

However, in March 1989, the OCC held that the National Bank Act preempts not only Tennessee's law prohibiting national banks from selling variable-rate annuities but also its statute requiring national bank employees to obtain a state license for such sales.

Hence, it is not clear that the OCC's advice to "fully comply" with applicable state law would include licensing requirements – although variable annuities are securities under federal law and therefore distinguishable from fixed annuities issued by an insurance underwriter.

Small-Town Insurance Offices

May 8, U.S. District Court for the District of Columbia upheld

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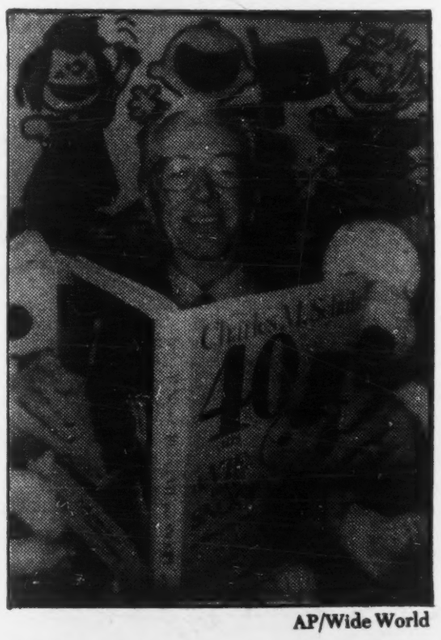
Mr. Corwin is director and counsel for operations and retail banking at the American Bankers Association in Washington.

FUNNY MONEY / *By Tom Leander*

Unfunny Papers

A $174,000 lawsuit ain't "Peanuts," even when the defendant is famed cartoonist Charles M. Schulz.

It turns out that the creator of the "Peanuts" comic strip borrowed $174,000 from the ill-starred Penn Square Bank a decade ago – and the bank that took over the loan claims he never made a payment.



AP/Wide World

GOOD GRIEF! A bank is suing cartoonist Charles M. Schulz.

Details of the suit against Mr. Schulz and a dozen other investors were reported late last week by Robin Robinson, writing in the Oklahoma City *Journal Record Press*. According to Ms. Robinson, the investors' group borrowed nearly $1.7 million to participate in a drilling fund, the Copeland Energy 1980 Deep Program Ltd.

The notes were originally due March 1, 1985, but the borrowers apparently renewed them until March 1 of this year. Except for one borrower, who sent $98, they have yet to make any payments of principal or interest on the notes, the Oklahoma newspaper reported.

Penn Square, located in a shopping center in Oklahoma City, collapsed noisily on July 5, 1982. In August 1983 the Federal Deposit Insurance Corp. assigned the notes signed by Mr. Schulz and his coinvestors to Seattle First National Bank, a unit of BankAmerica Corp., which filed suit against Mr. Schulz and the others.

* * *

Chopping Overhead

Yasuda Trust & Banking Co. has found an imaginative way to cut costs, reduce trash, and save trees – all in one stroke.

Yasuda management announced this week that the company cafeteria will switch Aug. 1 to reusable plastic chopsticks.

The firm said it has been going through disposable wooden chopsticks at the rate of 650,000 pairs a year, generating three tons of garbage in the process.

A Yasuda spokesman said a cleaning system will be installed at the cafeteria to wash the new chopsticks at a cost of $6,600 per year. The current size of the bank's chopstick budget was not disclosed.

* * *

Guten Appetit!

East Germans have shown a lusty appetite for capitalist investment vehicles in the few short days since they merged their economy with West Germany through adoption of the western mark as the single currency for both sides.

Citizens of the new, free-market East Germany have invested the equivalent of several million dollars in bonds since July 1. So far, observers say, they have completely shunned the stock market.

Hundreds of financial advisers from East and West Germany are competing to attract business with their investment tips. Along with their appetite for bonds, East Germans are flocking to take advantage of banks that are paying 7.5% on deposits, double the rate paid under the communist regime.

Total East German deposits are estimated at the equivalent of $60 billion. The heavy rate of savings largely reflects the shortage of consumer goods under communism, leavings consumers with little choice but to put their cash in the bank.

— John Evans

* * *

Mistaken Identity

NBC-TV had some egg on its lens the other night when it broadcast a news item about the Office of Thrift Supervision's civil charges against Thomas Spiegel, flamboyant former chairman of Columbia Savings and Loan Association in California.

The network's "Nightly News" program predictably showed a photograph while anchorman Tom Brokaw ran through the OTS charges against Mr. Spiegel: The thrift regulator claimed Mr. Spiegel took an unauthorized bonus and objected to his alleged use of funds from the junk-bond-laden thrift in Beverly Hills, Calif., to pay for personal travel and tickets to a Michael Jackson concert.

But someone at NBC blundered. Instead of showing Mr. Spiegel's photograph, the network flashed a picture of Lawrence K. Fish, former Spiegel associate and ex-president of Columbia Savings.

GOOF: NBC showed Lawrence Fish, not Thomas Spiegel

Mr. Fish, of course, is now lashed to the tiller at Bank of New England Corp., one of the nation's most troubled institutions.

Mr. Fish's institution spotted the error and was able to get it corrected for that night's NBC newscasts to the Rocky Mountain and Pacific time zones. Mr. Brokaw acknowledged the error nationally and set matters straight on July 6.

* * *

A Tiresome Subject

Cost-cutting may be one of the hottest trends in banking, but some executives clearly are not turned on by the subject.

Asked in a recent survey by Trans Data Corp. – a research subsidiary of the *American Banker* – for the most interesting cost-cutting measure that his institution has implemented, one banker responded: "They were all dull."

— Phil Roosevelt

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Banks Gain Momentum in Servicing

Survey Finds Shrinking Share for Thrifts' Servicers

By PHIL ROOSEVELT

NEW YORK — Commercial banks, as part of their broad push in home-mortgage finance, have been posting big gains in the business of servicing mortgages for investors.

An *American Banker* survey has found that bank-affiliated companies accounted for 43% of the servicing handled by the top 100 servicing companies last year, up from 35% just two years earlier. And some of the leading banking concerns in the field continue to post big gains this year.

Thrift-related servicing companies, meanwhile, saw their share drop to 20% from 29% in 1987, reflecting efforts to comply with the capital requirements of the thrift bailout law. Other mortgage companies, including independents and units of industrial concerns, saw their share rise slightly, to 37%.

Top 100 Servicing Companies

A ranking of the top 100 servicing companies, along with a description of their ownership, appears on the following two pages. This annual ranking focuses on mortgage companies and thus excludes a number of thrifts that perform servicing directly rather than through mortgage company subsidiaries.

Mortgage servicing, long the most profitable part of mortgage banking, entails funneling monthly payments from borrowers to investors, handling property tax and insurance payments, and initiating foreclosure proceedings.

The rise of commercial banks in the field, which follows a slide in the mid-1980s, underscores banks' increased role in virtually all areas of mortgage finance.

Rise in Bank Originations

As part of overall strategies to boost consumer banking, many banks have sharply increased their originations of mortgages in the past two years. In June 1989, banks surpassed savings and loans in originations for the first time, as insolvent and capital-short thrifts pulled back.

The ranking excludes thrifts that service directly.

The industry has also posted big increases in its holdings of mortgage-backed securities, encouraged by risk-based capital rules.

Some industry observers say banks' growth in servicing could be slowed by a pending rule to restrict the amount of purchased servicing rights that banks and thrifts can count toward capital.

Opportunity for Nonbanks

The proposal, if enacted, could well cause the mortgage units of nondepository institutions to gain ground. But some leading bank-related companies are still loading up on servicing, both by purchases and through their own originations.

Chase Home Mortgage Corp., for example, expects to be servicing more than $23 billion of mortgages by yearend, up from $14 billion at the end of 1989 and $10.7 billion at the end of 1988. The unit of Chase Manhattan Corp. is a big buyer and recently purchased a $2 billion portfolio from a unit of capital-strapped Crossland Savings.

First Union Mortgage Corp. increased its servicing portfolio to $15.3 billion last year from $10.6 billion. The portfolio should hit around $19 billion by the end of this year, said James Abbott, chief executive of the the First Union Corp. subsidiary.

Megaservicer in the Making

"It has been recognized by our holding-company management that we have the capabilities . . . to be a megaservicer," Mr. Abbott said.

The two mortgage units of Fleet Norstar Financial Group boosted their combined portfolio by 53% last year, to $41.3 billion. By the end of this year, that could hit $50 billion, Fleet officials have indicated. □

Top 100 Servicing Companies

A look at market share of banks, thrifts, and all others

Number of Companies

Year	Bank-Related	Thrift-Related	All Other
1989	37	30	33
1988	40	29	31
1987	34	35	31
1986	35	31	34
1985	37	27	36
1984	41	25	34
1983	45	20	35
1982	46	12	42

Servicing Total ($ Billion)

Year	Bank-Related	Thrift-Related	All Other	Total
1989	$300.7	$143.1	$261.8	$705.6
1988‡	248.0	160.6	222.9	631.5
1987	198.6	167.1	201.9	567.6
1986	156.2	125.4	179.6	461.2
1985	149.8	103.6	144.4	397.8
1984	157.8	82.6	100.9	341.3
1983	145.4	60.5	95.0	300.9
1982	116.9	29.6	96.6	243.1

Percent of Total Servicing

Year	Bank-Related	Thrift-Related	All Other
1989	42.6%	20.3%	37.1%
1988‡	39.3	25.4	35.3
1987	35.0	29.4	35.6
1986	33.9	27.2	38.9
1985	37.7	26.0	36.3
1984	46.2	24.2	29.6
1983	48.3	20.1	31.6
1982	48.1	12.2	39.7

TALKING *markets*

Realty Brokers Face Cap on Loan Fees

By PHIL ROOSEVELT

Pennsylvania is poised to become the first state to impose a limit on the fees that real estate brokers may charge for helping homebuyers obtain mortgages.

The Pennsylvania Real Estate Commission last month proposed to limit such fees to $100, unless the realty broker holds a license to act as either a mortgage broker or mortgage banker.

The proposal, though still subject to a lengthy review process, has drawn cheers from mortgage banking trade groups in Pennsylvania and elsewhere. These groups have long argued that real estate brokers have a conflict of interest when they take mortgage fees from buyers while earning commissions from sellers.

Cap Called Too Low

But the National Association of Realtors and some lenders said the $100 cap was arbitrary and low.

The proposal "is of tremendous significance," said E. Robert Levy, executive director of the Mortgage Bankers Association of New Jersey and a consultant to the Pennsylvania Mortgage Bankers Association. He said it could give new momentum to efforts to limit the fees on a nationwide basis.

While some states, such as Connecticut, have passed laws requiring that realty brokers' mortgage fees be commensurate with services rendered, several experts said they knew of no other state that has set a cap.

The $100 cap is lower than many observers had expected and well below the fees realty brokers earn under the programs of many lenders. The programs often allow brokers to charge homebuyers a feed of about 1%.

A spokeswoman for Citicorp Mortgage Inc., Citicorp's main mortgage unit, said her company had no objections to the idea of limiting mortgages fees for realty brokers who are neither mortgage brokers or mortgage bankers. But $100 "seems artificially low," she said.

Sally Sciacca, director of mortgage planning and outreach for the National Association of Realtors, echoed that sentiment.

Realty brokers who wish to become mortgage brokers in Pennsylvania must pay an initial fee of $500 and become subject to examinations by the state. If they wish to collect mortgage fees before transactions close, they must post a $100,000 bond or obtain insurance in that amount, a state official said. □

Key Interest Rates

	Week ended 7/06/90	Week earlier 6/29/90	Year earlier 7/07/89
30-year fixed-rate mortgage	10.13	10.20	10.17
1-year adjustable-rate mortgage	8.38	8.38	8.88

Rates are based on a weekly survey of 2,000 lending institutions nationwide. The averages reflect rates for a range of loan sizes.
Source: HSH Associates, Butler, N.J.

Secondary Market

	Price 7/11	Week's change	Yield	Week's change	Treasury spread	Week's change
Ginnie Mae 9½%	99-06	-0-19	9.77	+0.11	+120	-5
Fannie Mae 9½%	99-25	-0-24	9.81	+0.15	+124	-1
Freddie Mac 9½%	98-09	-0-24	9.80	+0.15	+123	-1

Yield: bond equivalent yield based on mortgage prepayment rates projected by Merrill Lynch. **Treasury spread:** the mortgage security yield minus yield on the current 10-year Treasury bond in basis points. (*)— Current coupon changed since last week.
Source: Merrill Lynch Mortgage Capital, New York

MBA Membership Makes Sense

To more than 2,600 mortgage lenders, servicers, investors and others in the real estate finance industry, membership in the Mortgage Bankers Association of America makes sense. As commercial banks come to the fore in mortgage lending, membership in MBA makes sense for you, too.

MBA provides its members with a voice in Congress and with federal regulators, as well as educational, communications and other business services that help its members manage their businesses more efficiently and more profitably.

MBA is the one organization that offers the real estate finance industry all these benefits and more!

For more information call: Membership Department, Mortgage Bankers Association of America, 202/861-6588.

Top 100 Firms in Mortgage Servicing for Investors

Among mortgage companies and commercial banks, based on permanent mortgages serviced for investors on Dec. 31, 1989

Rank 1989	Name of Firm and Headquarters City	Dollar Volume of Mortgages Serviced 12/31/89	12/31/88	Rank 1988	Gain in Rank	Number of Mortgages Serviced 12/31/89	12/31/88	Number of Investors Excluding Pools 12/31/89	12/31/88	Number of Pools 12/31/89	12/31/88	Year Opened
1	Citicorp Mortgage, Inc., St. Louis	60,600,000,000	52,200,000,000	1		696,800	639,000	322	448	11,831	4,103	1987
2	Fireman's Fund Mortgage Corp., Farmington Hills, Mich.	29,706,093,000	22,763,630,647	3	+1	512,314	443,820	483	480	21,311	12,305	1946
3	GMAC Mortgage Co., Elkins Park, Pa.	29,670,723,399	25,658,375,090	2		418,907	382,923	845	1,114	4,492	5,039	1985
4	Fleet Mortgage Corp., Milwaukee, Wis.	22,097,752,480	16,190,709,109	5	+1	487,086	407,596	497	567	6,681	4,826	1921
5	Lomas Mortgage USA, Dallas	21,001,026,000	21,751,283,373	4		532,575	564,211	N.A.	862	5,876	5,583	1894
6	Fleet Real Estate Funding Corp., Florence, S.C.	19,181,461,035	10,797,709,941	14	+8	321,633	207,232	756	616	9,489	5,470	1930
7	Metmor Financial, Inc., Overland Park, Kan.	16,984,149,000	.....	...		303,653	.....	793	...	6,352	.....	1989
8	First Union Mortgage Corp., Charlotte, N.C.	15,297,957,000	10,604,341,000	16	+8	228,099	181,154	340	340	2,156	1,873	1946
9	BancBoston Mortgage Companies, Inc., Jacksonville, Fla.	14,387,000,000	13,235,142,525	7		298,675	279,385	716	750	6,722	4,725	1908
10	Chase Home Mortgage Corp., Tampa, Fla.	14,040,617,586	10,648,900,000	15	+5	185,943	145,247	203	300	6,179	4,454	1980
11	Shearson Lehman Mortgage Corp., Irvine, Calif.	13,685,878,488	14,129,131,000	6		191,032	184,941	218	250	3,946	3,334	1946
12	Goldome Realty Credit Corp., Buffalo, N.Y.	12,237,400,000	12,956,137,884	9		198,076	217,575	501	325	8,428	4,352	1983
13	Chemical Mortgage Corp., Columbus, Ohio	12,187,641,000	9,559,826,000	20	+7	134,176	108,288	226	208	2,723	2,157	1946
14	Countrywide Funding Corp., Inc., Pasadena, Calif.	11,762,629,000	11,054,513,460	12		159,465	153,173	89	61	4,278	16,968	1969
15	Weyerhaeuser Mortgage Co., Los Angeles	11,572,623,000	10,842,085,000	13		159,839	159,018	393	460	3,369	4,104	1955
16	Marine Midland Bank NA, Buffalo, N.Y.	11,033,000,000	5,576,000,000	36	+ 20	134,223	78,431	111	116	1,005	8,450	1976
17	Travelers Mortgage Services, Inc., Cherry Hill, N.J.	11,001,811,018	6,715,447,823	29	+ 12	117,963	73,688	60	45	7,164	5,404	1945
18	BancPlus Mortgage Corp., San Antonio, Tex.	10,774,407,000	12,062,920,000	11		199,090	220,473	192	198	7,053	6,816	1985
19	Bowest Corp., La Jolla, Calif.	10,182,118,292	3,324,354,011	65	+ 46	205,689	81,426	204	234	6,481	750	1971
20	Commonwealth Mortgage of America, L.P., Houston	9,790,278,091	12,117,306,000	10		228,202	249,425	522	602	4,413	4,511	1955
21	First Interstate Mortgage Co., Pasadena, Calif.	9,473,000,000	9,741,000,000	19		91,636	93,576	0	589	0	2,227	1971
22	Empire of America Realty Credit Corp., Buffalo, N.Y.	9,340,569,326	7,438,470,592	27	+5	148,492	130,308	133	352	4,598	2,429	1984
23	USGI, Inc., Norwalk, Conn.	9,332,399,000	.....	...		4,062	.....	247	...	482	.....	1979
24	Knutson Mortgage Corp., Bloomington, Minn.	9,287,775,807	10,077,502,000	18		163,726	152,939	362	256	5,371	5,379	1954
25	Independence One Mortgage Corp., Southfield, Mich.	9,250,936,188	8,506,014,045	22		165,372	161,792	207	270	5,058	3,860	1970
26	Sovran Mortgage Corp., Richmond	8,755,587,000	7,657,000,000	25		160,574	153,801	285	303	3,957	3,184	1983
27	Southeast Mortgage Co., Miami	8,602,600,000	5,786,600,000	35	+8	106,821	69,405	463	302	2,430	920	1970
28	Foster Mortgage Corp., Fort Worth, Tex.	8,183,922,922	6,031,755,102	33	+5	106,337	77,881	276	262	7,472	3,896	1938
29	Barnett Mortgage Company, Jacksonville, Fla.	7,929,454,149	6,653,382,234	30	+1	129,622	115,586	172	148	38,905	1,166	1948
30	Waterfield Mortgage Co., Inc., Fort Wayne, Ind.	7,342,000,000	6,378,000,000	31	+1	161,150	150,100	219	225	2,257	2,018	1928
31	National Mortgage Co., Memphis, Tenn.	7,034,457,365	3,346,938,396	63	+ 32	172,072	107,282	100	102	3,250	0	1951
32	Barclays American/Mortgage Corp., Charlotte, N.C.	6,608,373,741	2,756,805,000	78	+ 46	116,805	61,698	106	102	4,410	2,404	1984
33	Imco Realty Services Inc., Santa Rosa, Calif.	6,549,610,000	7,499,635,000	26		95,500	118,529	655	450	2,358	0	1973
34	Midland Mortgage Co., Oklahoma City	6,289,165,050	4,733,000,000	42	+8	106,508	80,113	272	245	4,242	1,920	1950
35	Anchor Mortgage Services, Inc., Wayne, N.J.	6,229,065,291	6,849,479,511	28		109,663	124,499	0	192	686	819	1973
36	Sears Mortgage Corp., Riverwoods, Ill.	6,089,695,702	9,200,754,337	21		79,623	139,638	250	150	430	1,977	1962
37	Bank of America NT&SA, San Francisco	5,800,000,000	4,200,000,000	47	+ 10	120,395	90,385	324	222	1,684	406	1904
38	Associated National Mortgage Corp., Irving, Tex.	5,390,669,000	5,151,075,000	38		69,011	68,166	24	21	9,174	2,158	1984
39	CrossLand Mortgage Corp., Salt Lake City	5,359,000,000	4,098,353,602	48	+9	52,000	40,962	181	190	7,139	935	1892
40	Troy & Nichols, Inc., Monroe, La.	5,145,085,000	4,267,172,000	45	+5	128,172	116,023	373	0	2,549	1,849	1947
41	J.I. Kislak Mortgage Service Corp., Miami	5,075,132,217	4,065,342,850	49	+8	132,222	126,085	0	287	2,994	2,184	1953
42	Sunbelt National Mortgage Corp., Dallas	5,036,932,560	1,936,405,904	104	+ 62	98,998	27,141	372	147	6,767	2,737	1974
43	Dorman & Wilson, Inc., White Plains, N.Y.	4,875,731,000	3,956,327,000	53	+ 10	699	867	12	12	0	0	1937
44	ARCS Mortgage, Inc., Calabasas, Calif.	4,836,809,000	3,424,221,545	60	+ 16	59,450	48,803	71	104	781	3,296	1971
45	Talman Home Mortgage Corp., Chicago	4,835,150,000	4,841,710,000	41		113,786	119,286	164	200	2,141	1,983	1981
46	Alliance Mortgage Co., Jacksonville, Fla.	4,694,408,185	5,317,564,949	37		91,259	101,527	225	190	3,826	2,396	1960
47	Banc One Mortgage Corp., Indianapolis	4,649,867,730	2,846,860,000	75	+ 28	95,148	66,423	266	243	4,927	2,947	1987
48	Paine Webber Mortgage Finance, Inc., Columbia, Md.	4,627,692,968	4,272,000,000	44		33,664	32,713	61	70	1,207	1,250	1939
49	National City Mortgage Co., Miamisburg, Ohio	4,535,572,291	2,715,105,349	81	+ 32	91,264	57,219	0	95	4,199	600	1955
50	U.S. Bancorp Mortgage Co., Portland, Ore.	4,493,637,366	4,014,241,423	51	+1	74,394	71,888	202	201	2,889	2,329	1967
51	Coldwell Banker Comm'l Mtge Bkg Services, El Segundo, Calif.	4,472,499,993	3,828,675,265	55	+4	4,195	3,668	16	15	0	0	1972
52	Lincoln Service Corp., Owensboro, Ky.	4,253,841,019	4,236,155,120	46		60,692	62,086	122	114	1,229	1,146	1976
53	SunTrust Mortgage, Inc., Atlanta	4,235,643,000	3,687,789,301	56	+3	74,352	66,539	264	280	1,415	1,235	1927
54	BancNewEngland Mortgage Co., Inc., East Providence, R.I.	4,168,300,000	4,000,000,000	52		66,200	70,000	230	300	2,653	2,000	1986
55	Commonwealth Mortgage Co., Wellesley Hills, Mass.	4,028,411,233	2,733,418,197	80	+ 25	46,636	36,599	113	105	1,792	1,278	N.A.
56	Security Pacific National Bank, Los Angeles	3,937,532,496	3,397,668,736	61	+5	50,373	54,104	154	163	418	458	1871
57	Shawmut Mortgage Co., West Hartford, Conn.	3,929,327,000	4,400,000,000	43		55,085	65,000	240	250	1,458	2,480	1985
58	Dominion Bankshares Mortgage Corp., Fairfax, Va.	3,749,417,000	2,527,197,000	85	+ 27	55,081	41,344	55	62	3,475	1,158	1960
59	Commercial Federal Mortgage Corp., Omaha, Neb.	3,559,225,764	3,161,638,257	67	+8	75,631	63,647	234	223	1,098	1,306	1983
60	Metropolitan Financial Mortgage Corp., St. Paul, Minn.	3,547,094,387	3,929,377,000	54		69,718	77,759	478	325	601	1,034	1885
61	Murray Mortgage Co., Dallas	3,490,000,000	3,121,550,337	70	+9	52,320	48,249	250	140	2,864	850	1908
62	CitFed Mortgage Corp. of America, Dayton, Ohio	3,383,701,276	2,965,097,026	71	+9	52,873	44,111	48	45	2,667	639	1986
63	American Home Funding, Inc., Richmond	3,291,425,302	2,613,432,000	83	+ 20	64,560	38,082	79	48	2,744	2,628	N.A.
64	First Wachovia Mortgage Co., Winston-Salem, N.C.	3,280,569,435	2,864,589,799	74	+ 10	63,563	56,510	125	135	1,403	925	1968
65	United Mortgage Corp., Minneapolis	3,266,723,877	2,766,005,464	77	+ 12	49,873	42,029	65	70	1,351	1,229	1975
66	C&S Real Estate Services, Inc., Tucker, Ga.	3,229,216,493	3,455,559,000	58		64,632	69,130	374	467	1,053	903	1973
67	York Associates, Inc., Bethesda, Md.	3,217,187,003	2,879,500,000	73	+6	557	576	0	N.A.	557	N.A.	1980
68	M-West Mortgage Corp., Orange, Calif.	3,207,991,525	3,359,600,000	62		44,180	47,415	124	100	2,438	762	1984
69	Altus Mortgage Corp., Mobile, Ala.	3,168,416,282	.....	...		60,999	.....	120	...	4,599	.....	1983
70	Real Estate Financing, Inc., Montgomery	3,157,612,000	2,573,383,944	84	+ 14	74,777	68,099	227	225	1,425	1,169	1946
71	NBD Mortgage Co., Troy, Mich.	3,140,869,985	2,769,910,739	76	+5	75,135	71,003	195	127	1,727	108	1973
72	AmSouth Mortgage Co., Inc., Birmingham, Ala.	3,126,234,288	3,326,862,091	64		92,401	98,483	212	129	1,554	1,485	1946
73	Meridian Mortgage Corp., Wayne, Pa.	3,124,476,419	1,994,304,989	100	+27	45,069	36,603	80	60	2,045	974	1983
74	First California Mortgage Co., San Rafael, Calif.	3,100,000,000	1,950,000,000	102	+ 28	28,150	20,245	131	0	296	0	1953
75	Lumbermen's Investment Corp., Austin, Tex.	3,097,088,425	3,136,490,000	68		82,162	83,972	252	186	1,476	1,392	1954
76	Heitman Financial Services Ltd., Chicago	3,036,635,000	.....	...		928	.....	5	...	0	...	1913
77	America's Mortgage Servicing, Inc., Lisle, Ill.	2,915,638,169	3,520,333,000	57		48,099	69,390	25	150	1,278	3,074	1978
78	America's Mortgage Co., Springfield, Ill.	2,915,638,169	1,160,000,000	155	+ 77	48,088	21,889	25	27	1,278	533	1925
79	Latimer & Buck, Inc., Philadelphia	2,900,000,000	2,702,477,000	82	+3	790	798	36	18	0	0	1952
80	Crestar Mortgage Corp., Richmond	2,812,951,172	2,009,809,183	99	+ 19	57,468	46,580	293	273	2,739	1,636	1927
81	Victoria Mortgage Co., San Antonio, Tex.	2,779,896,039	2,960,160,418	72		54,086	58,364	174	230	2,321	2,392	1951
82	SCG Mortgage Corp., Hollywood, Fla.	2,776,846,908	.....	...		33,940	.....	25	...	1,482	.....	1987
83	PHH US Mortgage Corp., Cherry Hill, N.J.	2,759,314,000	1,551,343,000	127	+ 44	27,792	18,547	25	15	189	471	1977
84	Huntington Mortgage Co., Columbus, Ohio	2,723,600,000	1,086,742,000	160	+ 76	40,155	22,819	75	1	692	316	1976
85	NVR Mortgage, L.P., Pittsburgh	2,713,445,630	2,470,933,907	87	+2	38,790	40,181	103	92	2,309	2,097	1970
86	Citizens Fidelity Bank & Trust Co., Louisville, Ky. (d)	2,698,000,000	1,865,947,000	108	+ 22	49,650	35,352	81	87	2,060	411	1858
87	FBS Mortgage Corp., St. Paul, Minn.	2,635,849,000	2,352,234,000	91	+4	31,126	32,447	179	187	928	907	1968
88	Bailey Mortgage Co., Jackson, Miss.	2,551,308,410	1,642,653,520	118	+ 30	64,339	45,963	180	100	1,119	1,274	1954
89	Loan America Financial Corp., Miami Lakes, Fla.	2,546,471,398	2,016,502,916	98	+9	26,321	24,413	78	80	1,383	1,413	1980
90	Cal-Bay Mortgage Group, San Rafael, Calif.	2,539,292,000	.....	...		24,902	.....	N.A.	...	N.A.	.....	1983
91	Western Mortgage Loan Corp., Salt Lake City	2,513,232,821	1,937,689,000	103	+ 12	44,020	31,489	0	46	1,573	1,036	1951
92	WeSav Mortgage Corp., Gilbert, Ariz.	2,464,955,929	1,358,530,735	135	+ 43	48,533	24,732	90	8	1,940	150	1971
93	Margaretten & Company, Inc., Perth Amboy, N.J.	2,404,000,000	2,278,631,223	94	+1	39,531	38,310	61	64	951	881	1909
94	National State Bank, Elizabeth, N.J.	2,336,639,449	1,743,000,000	113	+ 19	36,888	29,215	74	50	4,367	2,453	1865
95	Interwest Mortgage Corp., Ponca City, Okla.	2,332,487,000	.....	...		27,848	.....	25	...	5,698	.....	1987
96	CenTrust Mortgage Corp., Deerfield Beach, Fla.	2,306,341,000	2,335,240,000	92		26,564	31,393	123	200	546	562	1975
97	NCNB Mortgage Corp., Charlotte, N.C.	2,227,900,262	.....	...		31,498	.....	69	...	361	.....	1986
98	Colonial Mortgage Co., Montgomery, Ala.	2,185,277,190	2,383,330,256	- 89		53,255	58,120	75	118	1,134	1,157	1966
99	TCF Mortgage Corp., Minneapolis	2,179,326,508	1,984,644,000	101	+2	53,616	52,690	30	28	774	646	1982
100	Directors Mortgage Loan Corp., Riverside, Calif.	2,172,080,867	1,785,679,692	110	+ 10	24,111	21,503	34	32	2,139	1,530	1964

Data Source: American Banker questionnaire to the top 200 mortgage companies and commercial banks in mortgage servicing. **Description of table:** A ranking of individual mortgage companies and commercial banks based on the dollar volume of mortgages serviced for investors. **Dollar Volume of Mortgages Serviced:** permanent commercial and residential real estate mortgages serviced for investors. Excludes mortgages owned by the institution, as well as forward commitments, home improvement loans and all temporary financing, such as construction and development loans. **Number of Mortgages Serviced**: are the number of loans associated with the volume reported. **Number of Investors Excluding Pools:** includes depository institutions such as thrifts and banks, pension funds, insurance companies, etc. **Number of Pools:** This is the sum of GNMA pools, FNMA pools, and FHLMC pools.

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Ownership of the Top 100 Firms in Mortgage Servicing

The name of parent company as of Dec. 31, 1989, and recent developments

Rank 12/89	Name of Mortgage Servicer	Name of Parent Company	Recent Developments
1	**Citicorp Mortgage, Inc., St. Louis**	Citicorp, New York	
2	**Fireman's Fund Mortgage Corp., Farmington Hills, Mich.**	Fireman's Fund Corp., Novato, Calif.	
3	**GMAC Mortgage Co., Elkins Park, Pa.**	General Motors Acceptance Corp., Detroit	Acquired $5.6 billion in servicing rights during 1989.
4	**Fleet Mortgage Corp., Milwaukee, Wis.**	Fleet/Norstar Financial Group, Inc., Providence, R.I.	
5	**Lomas Mortgage USA, Dallas**	None, independent.	Acquired $3.5 billion in servicing from Bright Mortgage Co.
6	**Fleet Real Estate Funding Corp., Florence, S.C.**	Fleet/Norstar Financial Group, Inc., Providence, R.I.	Acquired Norstar Mortgage Corp.
7	**Metmor Financial, Inc., Overland Park, Kan.**	Metropolitan Life Insurance Co., New York	
8	**First Union Mortgage Corp., Charlotte, N.C.**	First Union Corp., Charlotte, N.C.	
9	**BancBoston Mortgage Companies, Inc., Jacksonville, Fla.**	Bank of Boston Corp.	
10	**Chase Home Mortgage Corp., Tampa, Fla.**	Chase Manhattan Corp., New York	
11	**Shearson Lehman Mortgage Corp., Irvine, Calif.**	Shearson Lehman Hutton, Inc., New York	
12	**Goldome Realty Credit Corp., Buffalo, N.Y.**	Goldome, Buffalo, N.Y.	
13	**Chemical Mortgage Corp., Columbus, Ohio**	Chemical Banking Corp., New York	
14	**Countrywide Funding Corp., Inc., Pasadena, Calif.**	Countrywide Credit Industries, Inc., Pasadena, Calif.	
15	**Weyerhaeuser Mortgage Co., Los Angeles**	Weyerhaeuser Co., Tacoma, Wash.	
16	**Marine Midland Bank NA, Buffalo, N.Y.**	Marine Midland Banks, Inc., Buffalo, N.Y.	Acquired $1 billion in servicing in 1988.
17	**Travelers Mortgage Services, Inc., Cherry Hill, N.J.**	Travelers Corp., Hartford, Conn.	In May, agreed to sell $12 bil. in servicing to GE Mortgage Capital. On 6/28, TMSI reached an agreement to sell its retail production operations to Meridian Mortgage Corp. and to Margaretten & Co.
18	**BancPlus Mortgage Corp., San Antonio, Tex.**	BancPlus Savings Assn., Pasadena, Tex.	
19	**Bowest Corp., La Jolla, Calif.**	Bowest Holding Co., San Diego, Calif.	Acquired $7 bil. portfolio of New York Guardian Mortgagee Corp.
20	**Commonwealth Mortgage of America, L.P., Houston**	Commonwealth Federal Savings Assn., Houston	Parent is in RTC conservatorship. On 4/30/90, Commonwealth sold $1.8 billion of servicing to Houston-based United Savings Association of Texas, the thrift led by mortgage-securities pioneer Lewis S. Ranieri. On 6/21, released plan to unitholders to liquidate and dissolve company.
21	**First Interstate Mortgage Co., Pasadena, Calif.**	First Interstate Bancorp., Los Angeles	
22	**Empire of America Realty Credit Corp., Buffalo, N.Y.**	Empire of America Fed. Savings Bank, Buffalo, N.Y.	
23	**USGI, Inc., Norwalk, Conn.**	None.	Acquired Huntoon, Paige Associates for about $30 mil. on 10/24/89.
24	**Knutson Mortgage Corp., Bloomington, Minn.**	Home Owners Savings Bank, Boston	Acquired $2.6 billion in servicing last year.
25	**Independence One Mortgage Corp., Southfield, Mich.**	Michigan National Corp., Farmington Hills	
26	**Sovran Mortgage Corp., Richmond**	Sovran Financial Corp., Norfolk, Va.	
27	**Southeast Mortgage Co., Miami**	Southeast Banking Corp., Miami	Selling $6.4 bil. in servicing to 36th-ranked Sears Mortgage.
28	**Foster Mortgage Corp., Fort Worth, Tex.**	Benjamin Franklin Savings Assn., Houston	Negotiations are under way for the acquisition of the company.
29	**Barnett Mortgage Company, Jacksonville, Fla.**	Barnett Banks, Inc., Jacksonville	
30	**Waterfield Mortgage Co., Inc., Fort Wayne, Ind.**	None, independent.	
31	**National Mortgage Co., Memphis, Tenn.**	None, independent.	
32	**Barclays American/Mortgage Corp., Charlotte, N.C.**	Barclays American Corp., Charlotte, N.C.	Acquired over $2 billion in servicing rights over the last half of 1989.
33	**Imco Realty Services Inc., Santa Rosa, Calif.**	Owned by a limited partnership.	
34	**Midland Mortgage Co., Oklahoma City**	Midland Financial Co., Oklahoma City	
35	**Anchor Mortgage Services, Inc., Wayne, N.J.**	Anchor Savings Bank FSB, Northport, N.Y.	
36	**Sears Mortgage Corp., Riverwoods, Ill.**	Sears Roebuck & Co., Chicago	Agrred to but $6.4 bil. portfolio from 27th-ranked Southeast Mortgage.
37	**Bank of America NT&SA, San Francisco**	BankAmerica Corp., San Francisco	
38	**Associated National Mortgage Corp., Irving, Tex.**	Ford Motor Co., Dearborn, Mich.	Gulf + Western, Inc. sold company to Ford in Oct. 1989. Immediate parent company is Associated Real Estate Financial Services Co., Inc.
39	**CrossLand Mortgage Corp., Salt Lake City**	CrossLand Savings FSB, Brooklyn, New York	
40	**Troy & Nichols, Inc., Monroe, La.**	Southwest Savings Assn., Dallas	
41	**J.I. Kislak Mortgage Service Corp., Miami**	J.I. Kislak, Inc., Miami	Acquired $788 million in servicing last year.
42	**Sunbelt National Mortgage Corp., Dallas**	Sunbelt Savings FSB, Dallas	
43	**Dorman & Wilson, Inc., White Plains, N.Y.**	None, independent.	
44	**ARCS Mortgage, Inc., Canoga Park, Calif.**	Bank of New York Co., Inc.	
45	***Talman Home Mortgage Corp., Chicago***	Talman Home Federal Savings & Loan Assn., Chicago	
46	**Alliance Mortgage Co., Jacksonville, Fla.**	Bridges, Minchew & Wheeler, Savannah, Ga.	Company was sold by Owens-Illinois, Inc., Toledo, Ohio.
47	**Banc One Mortgage Corp., Indianapolis**	Banc One Corp., Columbus, Ohio	Acquired servicing portfolio of Weaver Brothers, Chevy Chase, Md., 10/89.
48	**Paine Webber Mortgage Finance, Inc., Columbia, Md.**	PaineWebber, Inc., New York	
49	**National City Mortgage Co., Miamisburg, Ohio**	National City Corp., Cleveland	Formerly Shawmut Mortgage Corp. Merged BancOhio Mortgage Co., a sister company with $728 million in servicing (16,800 loans) 12/1/89. And it purchased $989 million (17,000 loans) from First National Bank, Louisville, another affiliate 10/1/89.
50	**U.S. Bancorp Mortgage Co., Portland, Ore.**	U.S. Bancorp., Inc., Portland, Ore.	
51	**Coldwell Banker Real Estate Fin. Ser., El Segundo, Calif.**	Sears Roebuck & Co., Chicago	Acquired Sears Savings Bank's commercial loan serviciing portfolio.
52	**Lincoln Service Corp., Owensboro, Ky.**	Great Financial Federal Savings & Loan Assn., Louisville	
53	**SunTrust Mortgage, Inc., Atlanta**	SunTrust Banks, Inc., Atlanta	
54	**BancNewEngland Mortgage Co., Inc., East Providence, R.I.**	Bank of New England Corp., Boston	Formerly known as BNE Mortgage Corp.
55	**Commonwealth Mortgage Co., Wellesley Hills, Mass.**	None, independent.	
56	**Security Pacific National Bank, Los Angeles**	Security Pacific Corp., Los Angeles	
57	**Shawmut Mortgage Co., West Hartford, Conn.**	Shawmut National Corp., Hartford, Conn.	Acquired Shawmut Bank's $942 million servicing portfolio.
58	**Dominion Bankshares Mortgage Corp., Fairfax, Va.**	Dominion Bankshares Corp., Roanoke, Va.	
59	**Commercial Federal Mortgage Corp., Omaha, Neb.**	Commercial Federal Savings & Loan Assn., Omaha, Neb.	Acquired $469 million in servicing last year (10,426 loans).
60	**Metropolitan Financial Mortgage Corp., St. Paul, Minn.**	Metropolitan Federal Bank, Fargo, N.D.	Formerly known as Rothschild Financial Corp.
61	**Murray Mortgage Co., Dallas**	Murray Savings Assn., Dallas	
62	**CitFed Mortgage Corp. of America, Dayton, Ohio**	Citizens Federal S & L Assn. of Dayton, Ohio	
63	**American Home Funding, Inc., Richmond**	Rochester Community Savings Bank, N.Y.	
64	**First Wachovia Mortgage Co., Winston-Salem, N.C.**	First Wachovia Corp., Winston-Salem, N.C.	
65	**United Mortgage Corp., Minneapolis**	Midwest Savings Assn. FA, Minneapolis	Parent is in RTC conservatorship, and United is in the process of being sold.
66	**C&S Real Estate Services, Inc., Tucker, Ga.**	Citizens & Southern Corp., Atlanta	
67	**York Associates Inc., Bethesda, Md.**	None, independent.	
68	**M-West Mortgage Corp., Orange, Calif.**	None, independent.	Formerly known as Meritor Mortgage Corp.-West.
69	**Altus Mortgage Corp., Mobile, Ala.**	Altus Bank FSB, Mobile, Ala.	
70	**Real Estate Financing, Inc., Montgomery**	First Alabama Bancshares, Inc., Montgomery	
71	**NBD Mortgage Co., Troy, Mich.**	NBD Bancorp, Inc., Detroit	Net servicing additions totaled $333 million (7,506 loans).
72	**AmSouth Mortgage Co., Inc., Birmingham, Ala.**	AmSouth Bancorporation, Birmingham, Ala.	
73	**Meridian Mortgage Corp., Wayne, Pa.**	Meridian Bancorp, Reading, Pa.	Acquiring 16 branches from Travelers Mortgage Services.
74	**First California Mortgage Co., San Rafael, Calif.**	None, independent.	
75	**Lumbermen's Investment Corp., Austin, Tex.**	Kilgore Federal S&L Assn., Tex.	Formerly owned by Temple-Inland, Inc., Diboll, Tex.
76	**Heitman Financial Services Ltd., Chicago**	Heitman Financial Ltd., Chicago	
77	**America's Mortgage Servicing, Inc., Lisle, Ill.**	Standard Federal Savings Bank, Gaithersburg, Md.	
78	**America's Mortgage Co., Springfield, Ill.**	Standard Federal Savings Bank, Gaithersburg, Md.	
79	**Latimer & Buck, Inc., Philadelphia**	First Fidelity Bancorporation, Newark, N.J.	
80	**Crestar Mortgage Corp., Richmond**	Crestar Financial Corp., Richmond	
81	**Victoria Mortgage Co., San Antonio, Tex.**	Victoria Savings Assn., Tex.	
82	**SCG Mortgage Corp., Hollywood, Fla.**	Suncoast Savings & Loan Assn., Hollywood, Fla.	
83	**PHH US Mortgage Corp., Cherry Hill, N.J.**	PHH Group, Inc., Baltimore	
84	**Huntington Mortgage Co., Columbus, Ohio**	Huntington Bancshares, Inc., Columbus, Ohio	Acquired $882 million in servicing rights (11,000 loan) in 1989
85	**NVR Mortgage, L.P., Pittsburgh**	NVR L.P., McLean, Va.	Acquired over $200 million in servicing rights last year.
86	**Citizens Fidelity Bank & Trust Co., Louisville, Ky.**	PNC Financial Corp., Pittsburgh	
87	**FBS Mortgage Corp., St. Paul, Minn.**	First Bank System, Inc., Minneapolis	
88	**Bailey Mortgage Co., Jackson, Miss.**	Security Savings & Loan Assn., Jackson, Miss.	
89	**Loan America Financial Corp., Miami Lakes, Fla.**	None, independent.	
90	**Cal-Bay Mortgage Group, San Rafael, Calif.**	None, independent.	
91	**Western Mortgage Loan Corp., Salt Lake City**	United Savings Bank, Salt Lake City	
92	**WeSav Mortgage Corp., Gilbert, Ariz.**	Western Savings & Loan FA, Phoenix	Parent recently was seized by federal regulators.
93	**Margaretten & Company, Inc., Perth Amboy, N.J.**	Marco Holdings, Inc., Perth Amboy	Acquiring four offices of Travelers Mortgage Services in the third quarter.
94	**National State Bank, Elizabeth, N.J.**	Constellation Bancorp., Elizabeth, N.J.	
95	**Interwest Mortgage Corp., Ponca City, Okla.**	Heartland Federal Savings & Loan. Assn., Ponca City	
96	**CenTrust Mortgage Corp., Deerfield Beach, Fla.**	CenTrust Bank SSB, Miami	Currently there are negotiations for sale of company.
97	**NCNB Mortgage Corp., Charlotte, N.C.**	NCNB Corp., Charlotte, N.C.	
98	**Colonial Mortgage Co., Montgomery, Ala.**	Colonial Company, Montgomery	
99	**TCF Mortgage Corp., Minneapolis**	TCF Bank Savings FSB, Minneapolis	
100	**Directors Mortgage Loan Corp., Riverside, Calif.**	None, independent.	

Home Loan Exits Feared as Threat to Bailout Funding

Continued from *page* **2**

FDIC board intends to address the Wauwatosa application in two to three weeks.

"Because there's such interest and concern about this issue, the board is just taking the opportunity to hear more views," he said.

He added that the review focuses on legal issues and whether exits pose any threat to the safety and soundness of the banking system.

Mr. Robson said departures could impair the Home Loan banks' ability to pay interest expenses on bonds issued by the Resolution Funding Corp. to finance the bailout. Under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, the 12 Home Loan banks may be tapped for up to $300 million per year to cover those interest costs.

Arthur Siddon, a Treasury spokesman, said Mr. Robson suggested that exits should be limited during a transition period. Mr. Siddon, who confirmed the contents of the letter to Mr. Seidman, did not elaborate. Mr. Robson was unavailable for comment.

Eight Petitions to Quit

Wauwatosa's exit application, filed last September and made public in March, was followed by several others in the Chicago, Des Moines, and San Francisco Home Loan bank districts. By June 25, eight state-chartered thrifts insured by the FDIC's Savings Association Insurance Fund had petitioned to leave, asserting that they have no legal obligation to remain in the system.

The controversy has forced the FDIC to become the reluctant arbiter in a public policy debate that may reshape the Federal Home Loan Bank System.

"It's an emotionally charged policy issue," said the FDIC deputy general counsel, Douglas Jones.

While the FDIC studies the implications, the Home Loan banks face mounting pressure on earnings because of shrinking membership and slack demand for advances.

1,085 Departures Feared

If the FDIC permits departing state-chartered thrifts to continue their insurance, the doors could open for as many as 1,085 thrifts to leave, taking with them 19% of the bank system's capital, the Federal Housing Finance Board has told the FDIC. The board is the overseer of the home loan banks.

Federally chartered thrifts are clearly required to belong to the bank system, but the Housing Finance Board has raised the prospect that these institutions could convert to state charters to escape.

"If a little Midwestern savings and loan can destroy the system, then the system ought to be destroyed."

Raymond J. Perry
Wauwatosa Savings and Loan Association

Worries Called Exaggerated

Wauwatosa's president and chief executive said concerns about wholesale exits from the bank system are exaggerated. "If more people were inclined to go, they would be in line by now," said Raymond J. Perry.

He said Wauwatosa wants to quit the system because it does not borrow from the advance window and could reinvest its $3 million stock subscription more profitably in loans to the community.

"I think there's a place for the system," Mr. Perry added. "But if [the withdrawal of] a little Midwestern savings and loan can destroy the system, then the system ought to be destroyed as a useless appendage of government."

But a Housing Finance Board official, speaking on background, said it is possible that more thrifts will petition to leave. "The question is how quickly the line will form if the FDIC lets them out," this official said.

The House Banking Committee chairman, Rep. Henry B. Gonzalez, opposes the exit bids. "The overriding thing in last year's bailout bill was that the S&L industry would have to pay as much of the cost as possible," said Jake Lewis, an aide to the Texas Democrat. "No one was going to escape this obligation to help bail themselves out." □

Chase in Deal To Service Loans

NEW YORK — A unit of Chase Manhattan Corp. has purchased the rights to service about $2 billion of home loans from a subsidiary of capital-strapped Crossland Savings.

Officials at Chase and Crossland confirmed rumors of the deal, but information on terms was not immediately available.

Market sources pointed to the transaction as a prime example of how banks are gaining ground in all aspects of mortgage finance as the thrift industry struggles to meet the requirements of the 1989 bailout law.

Chase Home Mortgage Corp., based in Tampa, Fla., is one of the nation's 10 largest servicing companies. At the end of 1989, it was servicing about $14 billion of loans for investors.

A spokesman for New York-based Crossland said the thrift's mortgage unit routinely sells some servicing rights. He said the sale to Chase was not designed to help the thrift meet new capital rules "but it certainly helps." □

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TOP 100 BANKS RANKED BY TRUST ASSETS
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Illinois Opening Leaves Acquirers Unenthusiastic

By NANINE ALEXANDER

CHICAGO — Illinois will open its doors to full interstate banking on Dec. 1, but so far no acquirers are waiting in line.

As the trigger date nears, banks from outside the Midwest have yet to stake any claims in the Land of Lincoln. Stocks of Illinois-based banks are rallying less than expected in anticipation of potential acquisitions.

Analysts attributed the lack of activity mainly to the high price expectations of Illinois bankers and the preoccupations of potential buyers with their own asset quality and battered share prices.

ANALYSIS: *Follow-up on the news*

Illinois banks "all have this notion of selling for three times book," said Stuart I. Greenbaum, banking professor at Northwestern University's Kellogg Graduate School of Management. "They all need a reality transplant," Mr. Greenbaum said.

"Either premiums are going to come down or there's going to be a lot less activity than anticipated," said Henry C. Dickson of McDonald & Company Securities, Cleveland.

Regulatory Inhibitions

Price are not the only factors keeping merger activity dormant, said Joseph F. LaManna, bank analyst for William Blair & Co., Chicago. The current regulatory climate has made acquirers reluctant to buy anything that has not been throughly scrutinized by bank examiners.

The thrift alternative may also be discouraging some potential bank mergers, said David D. Olson, senior vice president and an investment banker for Donaldson, Lufkin & Jenrette Inc., based in Chicago. Banks that already have a presence in Illinois and wish to expand may find it more attractive to acquire a thrift with federal assistance, gaining clean assets, market share, and deposits for a modest premium.

Sooner or later, though, banking companies with nationwide aspirations are expected to enter the Illinois market – particularly Chicago.

"If you're going to have a national franchise, you can't ignore Chicago," said Michael Milunovich, analyst with Robert W. Baird & Co., Milwaukee.

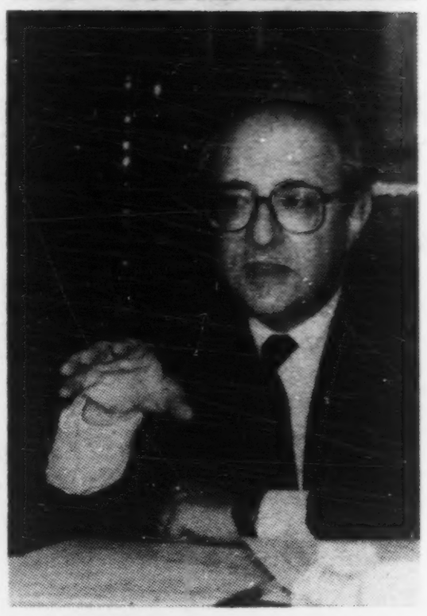
Easy Market to Enter

Illinois is a relatively easy market to enter. No banking

See **ILLINOIS** *page* **7**

INSIDE NEWS

MANAGMENT



EDWARD FURASH, head of a Washington consulting firm, says bankers should return to "Camelot:" capital, assets, management, earnings, and liquidity. *Page 14*

EARNINGS

FIRST INTERSTATE Bancorp profits fell 8% in the second quarter from a year ago. PNC Financial's fell 13%, Fleet/Norstar's 33%. Continental Bank Corp. lost $57 million. *Page 2*

CONSUMER

COVERDELL & CO., Atlanta, has developed a program that will allow Delaware banks to market their own insurance products without heavy back-office investment. *Page 6*

TECHNOLOGY

SOME VICTORIES against planned postal increases are forecast by the American Bankers Association. *Page 3*

FINANCE

LEAD BANKS on a $1.75 billion loan for Lin Broadcasting's cellular phone operations have syndicated almost all the credit ahead of deadline by offering rich up-front fees. *Page 30*

INTERNATIONAL

CITICORP, Creditanstalt Bankverein of Austria, and Barclays Bank and Midland Bank of Britain won initial approval for full-fledged banking operations in Poland. *Page 20*

COMMENT

THE FED'S recent easing represents no lessening of its effort to limit inflation, writes Stephen H. Axilrod. *Page 4*

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House Chiefs Ask Stiff S&L Crime Terms

By ROBERT M. GARSSON

WASHINGTON — The House Democratic leadership rallied Wednesday behind legislation that would stiffen penalties for bank-related crimes and establish a national commission to investigate what caused the savings and loan crisis.

The legislation, sponsored by Rep. Charles E. Schumer, D-N.Y., was to be offered late Wednesday or early today as an amendment to the crime bill now before the House Judiciary Committee. The bill could be on the House floor as early as next week.

Foley, Gephardt Backing

Mr. Schumer's package gained the backing of House Speaker Thomas S. Foley, D-Wash., and Majority Leader Richard Gephardt, D-Mo., who appeared at a press conference to demonstrate Democratic solidarity. The initiative is the party's effort to recapture the moral high ground as Congress and the Republican administration jockey over who is doing the most to resolve the S&L crisis.

Recently, President Bush held what amounted to a pep talk for U.S. attorneys and pledged new resources to prosecute crimes against S&Ls. The Senate followed last week with legislation that would permit life sentences for the worst offenders, the so-called S&L kingpins.

Mr. Schumer said the 30-year prison terms mandated in his bill are "plenty tough."

In a thinly veiled criticism of the Senate provision, Mr.

See **STIFF** *page* **18**

Greenspan Hints Fed May Cut Rates Again

By LINDA CORMAN

WASHINGTON — The tightening of bank credit that prompted the Federal Reserve to reduce short-term interest rates last week is likely to continue, and may lead to further easing by the central bank, Fed Chairman Alan Greenspan said Wednesday.

In his most detailed assessment of the purported credit crunch and the recent effort to counteract it in monetary policy, Mr. Greenspan said the drop in the overnight fed funds rate may not have been sufficient to overcome the perception of tight credit.

More 'Scrutiny' Ahead

"The process of credit restraint may not have reached completion, and some of its effects may not yet have been

See **GREENSPAN** *page* **26**

Greenspan's Main Points

- Banks in recent weeks may have "slipped over the line" to overly restrictive lending standards
- Bank lending may get tighter before easing
- There is "no real basis" to expect a repeat of the S&L crisis in commercial banking
- Economic slowdown remains unlikely, but there has been "a shade tilt toward a recession"

Yields Rise on Bank Debt

By KELLEY HOLLAND

NEW YORK — A spate of disappointing second-quarter earnings figures sent the yields on bank debt rising in recent days, continuing their upward trend of the past two weeks.

The increase in yields could mean a rise in cost of funds for many large banks, a looming problem at a time when regulatory pressure could warrant additional capital requirements beyond the 1992 risk-based capital guidelines.

"As things stand now, the risk for all banks is that getting capital is going to be increasingly expensive going forward," said Andrew J. Cooley, a managing director at Merrill Lynch Capital Markets. "As loan quality suffers, so do bond prices in the marketplace."

Market May Be Unfriendly

Admittedly, the change has no immediate effect on banks' funding costs. But in light of Federal Reserve Chairman Alan Greenspan's comments last week and again on Wednesday in which he advocated higher capital requirements, banks may be forced to step back into a po-

See **POOR** *back page*

Trust Areas Gained Some Glitter in '89

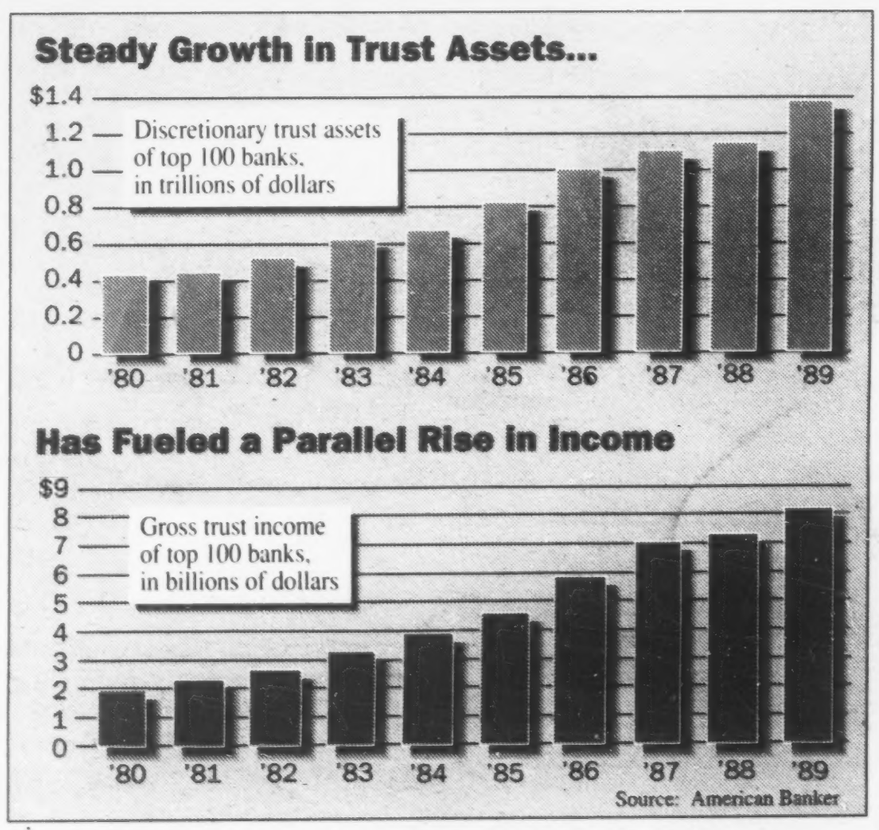
By RICHARD LAYNE

NEW YORK — Growth in large U.S. banks' trust income and assets bounced back last year after sputtering in 1988, indicating that the leading institutions are succeeding in their search for profits from the once sleepy function.

The 1989 increases – 12.4% in income and 19.3% in discretionary assets at the 100 largest trust banks – marked a return to the growth rates of the mid-1980s, according to the *American Banker*'s annual trust survey. The industry recovered from 1988 growth rates of about 4% for both assets and income that occurred in the aftermath of the 1987 stock market crash.

Growth in the market value of trust assets was 30% or more at

See **TRUST** *page* **9**



COMMENT/ *By Stephen H. Axilrod*

Fed, Despite Recent Easing, Keeps Brakes on Inflation

The Federal Reserve Board has eased monetary policy a notch in an effort to offset credit tightening at banks and other depository institutions. That was the clear implication of Fed Chairman Alan Greenspan's testimony last week at the Senate Banking Committee hearing on bank capital, confirmed at Wednesday's monetary policy hearing.

As indicated in last month's column, the weakness of money supply over the past few months suggested that the Fed might in practice – given the change in institutional lending attitudes – have restrained the bank reserve base, and hence the money supply, more than it intended. In that case, it would be quite natural to provide more reserves and let the money market ease a bit further.

The expected result would be more accommodative market conditions and more liquidity in the hands of the public, helping to offset the reduced accommodation and greater desire for liquidity at banks.

The recent easing does not represent any lessening in the Fed's continuing effort to constrain inflation. So long as the money supply (particularly the M2 version) is not running high in the Fed's longer-run target ranges, the Fed remains on a rather restrictive course.

Elusive Money Trends

Such a statement about the money supply sounds more unequivocal than it should. Money trends in the aggregate are fiendishly difficult to interpret, as everyone knows by now. They cannot be judged without also looking at the velocity of money, which itself depends on interest rates (representing the cost of investment alternatives to money) and also on public attitudes independent of interest rates.

If velocity showed an independent tendency to rise sharply, that could indicate an increase in inflationary expectations and a flight away from money. If turnover showed an independent tendency to decline sharply, that could indicate the public wants a lot more liquidity for cautionary reasons (as occurred temporarily after

the October 1987 market crash).

In current conditions – with velocity not showing unusual independent tendencies – it seems reasonable to interpret sluggish growth in money as indicating that monetary policy had become a little tighter than intended. That is by no means a reversion to the monetary targeting of the early '80s, but it does suggest that money cannot be, and is not being, entirely ignored in monetary policy operations.

This recent episode also brings up the vexing question of the relationship between regulatory and monetary policies. Ideally, they should be quite separate. That is, the economic objectives of monetary policy should not be influenced by regulatory policies to assure the soundness of individual institutions and the banking system.

But the implementation of monetary policy has to take into account how banks are responding within an existing economic and regulatory environment.

Regulatory decisions affecting the conduct of banking should be based on the nation's goals for a competitive, safe banking system – not on the needs of monetary policy. The U.S. banking system is clearly in need of more, not less, scope for operations in light of the evident globalization of finance.

I do not necessarily mean that the banks should be charging into the securities business, where competition is already fierce and profit opportunities limited. Nor do I mean that bank capital standards here are too high. Given the loan experience of the past several years, they surely are not.

U.S. banks are at a disadvantage in size. They cannot accumulate capital and deposits to compete effectively against the truly nationwide banks of other major countries.

Limitations on interstate banking here are eroding, but it would be a great help if they eroded faster, with a little congressional push. The European Community's banking directive will let banks chartered in one country operate in other countries of the community.

It should not be beyond the wit of the more culturally integrated United States, which already has national banking authority, to move more rapidly toward nationwide banking – before all the good international markets are gobbled up by the growing banks of Europe and Asia. □

Mr. Axilrod is vice chairman of Nikko Securities Co., New York.

THE LOBBYISTS

Kennedy Bill Would Tax the Wealthy To Fund S&L Bailout

The **Financial Democracy Campaign,** a loose coalition of labor, consumer, church, and organizations, begins lobbying today for a bill that would tax the wealthy to pay for the savings and loan cleanup.

The coalition formed last year in response to the mounting cost of the S&L bailout to U.S. taxpayers. Among its victories was an amendment sponsored by **Rep. Joseph P. Kennedy 2d,** D-Mass., that beefed up anti-redlining laws. Another, sponsored by **Rep. Henry B. Gonzalez,** D-Tex., created industry-financed low-income housing.

A defeat came on a separate Kennedy proposal to finance the bailout with a special tax. This year, however, the coalition believes a new effort, also led by Rep. Kennedy, has a shot at making it to the President's desk.

"The environment has really changed," said **Steve Kest,** executive director of the **Association of Community Organizations for Reform Now,** or Acorn, which took a lead in forming the Financial Democracy Campaign. "People are extremely angry over the cost of the bailout."

Rep. Kennedy was scheduled to announce his new initiative this morning, at a press conference attended by representatives of the Financial Democracy Campaign and consumer advocate **Ralph Nader.**

Acorn is known for its confrontational tactics. Earlier this week, the group demonstrated outside the Chicago headquarters of the **U.S. League of Savings Institutions.** After U.S. League president **Frederick Webber** finally invited representatives up to talk, Mr. Kest presented him with a bill for $1.4 trillion – his estimate of the cost of the bailout.

* * *

Housing Groups Fight FHA Overhaul

An omnibus housing bill advancing to the House floor as early as today has mortgage insurers and housing industry groups squaring off over a Bush administration plan to revamp the government's flagship home-ownership program.

Girding themselves for battle with the **Mortgage Insurance Companies of America,** home builders, mortgage bankers, and Realtors have lined up support for an alternative Federal Housing Administration reform proposal to be offered by **Rep. Bruce Vento,** D.-Minn., **and Rep. Thomas Ridge,** R.-Pa.

Growing losses are consuming the capital of FHA's mutual mortgage insurance fund, prompting Housing and Urban Development Secretary **Jack Kemp** to warn that the fund backing nearly $300 billion of single-family mortgages could be broke by the end of the decade. Now all the players are picking through a report by **Price-Waterhouse,** the accounting firm that examined ways to restore the FHA program to financial health, for clues on how to stop the fund's slide.

A plan was assembled by the Bush administration to levy risk-based mortgage insurance premiums and end financing of most closing costs. Approved by the Senate in late June, it would increase the FHA's current 3.8% mortgage insurance premium on principal to as much as 7.6% for borrowers who put down less than 5% on a home. The borrowers would pay supplemental annual premiums for up to 15 years.

Mortgage insurers – still smarting over a measure enacted last year that raised the FHA single-family loan limit to $128,875 – favor the plan, saying it would ward off foreclosures. "This isn't a matter of just putting people into homes; you have to keep them there," said **Suzanne Hutchinson,** executive vice president of the mortgage insurers' group.

S. Hutchinson

The **Mortgage Bankers Association,** the **National Association of Home Builders,** and the **National Association of Realtors** disagree. They say the plan would put home ownership out of reach for up to 100,000 families a year. They endorse the Vento-Ridge alternative, which drops the initial premium to 1.35% but requires all borrowers to pay an extra 0.5% annual premium.

And now **Consumers Union** has taken up their cause. "The Vento-Ridge proposal shows that we can save the program without killing the dreams of first-time homebuyers in the process," said **Michelle Meier,** government affairs counsel.

The housing industry groups asked Price Waterhouse to reassess the fund's health using cheerier assumptions. Price Waterhouse acknowledged that interest rate, unemployment, house appreciation, and inflation scenarios and policy initiatives suggested by the groups add up to a more robust FHA.

* * *

IRS Proposal Would Tax S&Ls' Bad-Debt Reserves

Healthy thrifts that back away from real estate lending or switch to commercial bank charters, beware: A tax-hungry Internal Revenue Service is eyeing your bad-debt reserves.

Mark Riedy

The **National Council of Savings Institutions** warns that some thrifts may be taxed into insolvency by an IRS ruling that could drain them of more than 30% of capital. **Mark Riedy,** the trade group's president, and **James O'Connor,** its vice president for tax, will take on the IRS position at a briefing Tuesday.

For decades, the government has stimulated mortgage lending by permitting thrifts to cushion themselves against future loan losses by deducting bad-debt reserves from income. Now the IRS is tightening the rules that trigger a recapture of the subsidy, pulling into its revenue stream the bad-debt reserves of thrifts that obtain commercial bank charters or whose residential mortgage lending drops below 60%, the National Council of Savings Institutions says.

— **Robert M. Garsson and Debra Cope**

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TRUST BANKING

Top 100 Firms in Discretionary Trust Assets

Banks and non-deposit trust companies ranked in order of 1989 market value of assets under management

Rank 1989		Market Value of Discretionary Assets 1989	1988	Rank 1988	Gain in Rank	Trust Inc. Rank 1989	Asset Rank 1989
1	Bankers Trust New York Corp. (M)	104,300,000,000	80,600,000,000	1		3	10
2	J.P. Morgan & Co., Inc., New York (M)	82,200,000,000	69,400,000,000	2		2	4
3	Wells Fargo & Co., San Francisco (O)	80,040,628,000	67,454,107,000	3		11	12
4	Mellon Bank Corp., Pittsburgh (M)	67,539,000,000	58,169,000,000†	4		7	18
5	State Street Boston Corp. (O)	55,948,011,000	38,400,000,000	8	+3	6	60
6	PNC Financial Corp., Pittsburgh (M)	51,807,616,000	41,177,000,000	5		10	14
7	Citicorp, New York (M)	45,666,919,000	38,773,277,000	7		1	1
8	Chase Manhattan Corp., New York (M)	40,540,000,000	39,324,000,000	6		4	2
9	Northern Trust Corp., Chicago (M)	35,501,547,966	28,959,909,000	10	+1	8	55
10	Bank of New York Co., Inc. (M,a)	33,814,653,000	15,007,900,000	23	+ 13	5	11
11	Chemical Banking Corp., New York (M)	33,601,969,000	29,966,808,000	9		9	6
12	Capital Guardian Trust Co., Los Angeles (T)	27,428,513,000	20,908,137,000†	13‡	+1	36	...
13	Boatmen's Bancshares Inc., St. Louis, Mo. (M)	25,238,388,000	22,573,529,000	12		23	42
14	First Chicago Corp. (M)	23,691,000,000	27,354,497,000	11		15	13
15	NCNB Corp., Charlotte, N.C. (M,b)	23,300,000,000	7,886,614,000	43	+ 28	14	7
16	SunTrust Banks, Inc., Atlanta (M)	23,290,290,000	19,875,796,000	15		16	19
17	Wilmington Trust Co., Del. (B)	23,278,536,000	20,021,151,000	14		44	...
18	Security Pacific Corp., Los Angeles (M)	23,135,725,000	19,115,817,000	16		12	5
19	First Interstate Bancorp., Los Angeles (M)	22,452,230,000	20,176,728,000	13		19	9
20	Fiduciary Trust International, New York (B)	18,766,578,000	16,708,322,000	19		40	...
21	National City Corp., Cleveland (M)	18,703,823,000	16,137,257,000	22	+2	25	34
22	Harris Bankcorp., Inc., Chicago (M)	18,629,244,000	17,842,804,000	17		21	46
23	U.S. Trust Corp., New York (O)	18,020,629,000	17,054,000,000	18		13	145
24	Manufacturers National Corp., Detroit (M)	16,321,696,000	14,882,506,000	24	+1	47	58
25	Boston Safe Deposit & Trust Co. (B)	14,504,407,000	4,288,691,000	60	+ 36	32	...
26	Ameritrust Corp., Cleveland (M,c)	14,300,000,000	12,330,892,000	28	+3	30	54
27	NBD Bancorp., Inc., Detroit (M)	13,738,673,000	12,578,728,000	27		28	27
28	First Bank System, Minneapolis (M)	13,104,527,000	14,386,000,000	25		24	36
29	Bank of New England Corp., Boston (M)	12,897,718,000	12,198,889,000	29		20	21
30	Continental Bank Corp., Chicago (O)	12,448,888,000	11,797,009,000	31	+1	33	22
31	Shawmut National Corp., Hartford, Conn. (M)	12,318,685,000	11,501,591,000	32	+1	22	24
32	Banc One Corp., Columbus, Ohio (M)	11,850,002,000	10,728,126,000	33	+1	27	26
33	First Fidelity Bancorporation, Lawrenceville, N.J. (M)	11,700,000,000	11,801,468,000	30		29	20
34	Manufacturers Hanover Corp., New York (M)	11,501,700,000	7,987,276,000	41	+7	18	8
35	Fidelity Management Trust Co., Boston (T)	11,176,000,000	.....	...		43	...
36	Bank of Boston Corp. (M)	10.992,000,000	13,734,700,000	26		17	15
37	First Wachovia Corp., Winston-Salem, N.C. (M)	10,583,182,000	9,313,716,000	35		26	31
38	First Pennsylvania Corp., Philadelphia (O,d)	10,567,884,000	9,091,828,000	37		56	77
39	CoreStates Financial Corp., Philadelphia (M,d)	10,359,587,000	9,345,111,000	34		51	39
40	Fleet/Norstar Financial Group, Inc., Providence, R.I. (M)	10,352,018,000	9,234,322,000	36		34	16
41	Norwest Corp., Minneapolis (M)	9,139,900,000	7,846,300,000	44	+3	31	30
42	Sovran Financial Corp., Norfolk, Va. (M)	9,047,999,000	8,350,450,000	38		39	29
43	Mercantile Bancorp., Inc., St. Louis, Mo. (M)	8,891,761,000	8,117,078,000	39		61	74
44	MNC Financial, Inc., Baltimore (M,e,f)	8,637,000,000	7,264,820,000	46	+2	50	37
45	First Union Corp., Charlotte, N.C. (M,g)	8,214,158,000	7,078,327,000	47	+2	37	17
46	Citizens & Southern Corp., Atlanta (M)	8,150,613,000	7,659,145,000	45		41	33
47	Firstar Corp., Milwaukee (M)	7,378,473,000	6,091,192,000	51	+4	42	62
48	BankAmerica Corp., San Francisco (M)	7,263,775,000	6,953,117,000	48		35	3
49	Trust Services of America, Inc., Los Angeles (T)	7,242,000,000	6,162,000,000	50	+1	63	...
50	Mercantile Bankshares Corp., Baltimore (M)	7,201,921,000	N.A.	...		64	105
51	Midlantic Corp., Edison, N.J. (M)	6,925,664,000	5,502,042,000	52	+1	48	32
52	Bessemer Group, Inc., Woodbridge, N.J. (M,h)	6,888,798,000	.....	...		45	...
53	MCorp, Dallas (M,i)	6,863,398,835	7,967,797,924	42		38	134
54	Crestar Financial Corp., Richmond (M)	6,841,076,000	6,194,043,000	49		54	53
55	Comerica Inc., Detroit (M)	6,070,473,000	5,473,040,000	53		53	48
56	Fifth Third Bancorp., Cincinnati (M)	5,761,000,000	4,365,428,000†	59	+3	65	72
57	Marine Midland Banks, Inc., Buffalo, N.Y. (M)	5,536,906,000	4,734,045,000†	58‡	+1	49	25
58	Society Corp., Cleveland (M,j)	5,514,710,000	4,922,880,000	55		55	56
59	Trustcorp, Inc., Toledo, Ohio (M,j)	5,431,527,000	4,855,487,000	56		79	91
60	Glenmede Trust Co., Philadelphia (T)	5,400,000,000	3,910,988,645	64	+4	89	...
61	INB Financial Corp., Indianapolis (M)	5,312,193,000	5,007,266,000	54		81	82
62	United Missouri Bancshares Inc., Kansas City (M)	5,152,052,000	4,492,175,000	58		69	103
63	BanCal Tri-State Corp., San Francisco (O)	5,089,199,000	3,786,645,000	65	+2	46	66
64	First of America Bank Corp., Kalamazoo, Mich. (M)	4,972,640,000	3,133,415,000	70	+6	52	44
65	Old Kent Financial Corp., Grand Rapids, Mich. (M)	4,931,350,000	4,305,697,000†	60‡		62	65
66	United Banks of Colorado, Denver (M)	4,849,714,000	4,011,929,000	62		70	81
67	Barnett Banks, Inc., Jacksonville, Fla. (M)	4,779,084,000	3,920,683,000	63		57	23
68	Meridian Bancorp, Inc., Reading, Pa. (M)	4,582,000,000	4,205,000,000	61		74	49
69	AmSouth Bancorp., Birmingham, Ala. (M)	4,493,044,000	4,794,992,000	57		71	63
70	KeyCorp, Albany, N.Y. (M)	4,295,574,000	3,171,411,677	68		68	41
71	Marshall & Ilsley Corp., Milwaukee (M)	4,105,944,000	3,404,922,000	67		58	71
72	Integra Financial Corp., Pittsburgh (M)	4,010,513,000	3,708,000,000•	67•		77	75
73	Bancorp Hawaii, Inc., Honolulu (M)	3,800,061,000	2,375,850,000	82	+9	76	64
74	First City Bancorporation of Texas, Inc., Houston (M)	3,493,462,000	2,782,804,000	74		59	43
75	Southeast Banking Corp., Miami (M)	3,290,000,000	3,035,751,000	71		67	40
76	U.S. Bancorp., Portland, Ore. (M)	3,229,036,000	3,159,645,000	69		60	38
77	Affiliated Bankshares of Colorado, Inc., Denver (M)	3,100,000,000	N.A.	...		117	141
78	Riggs National Corp., Washington, D.C. (M)	3,084,980,000	2,662,441,000	78		82	69
79	Star Banc Corp., Cincinnati (M)	3,013,800,000	2,759,945,000	75		73	83
80	Valley National Corp., Phoenix, Ariz. (M)	2,883,467,000	2,597,211,000	80		75	57
81	Hibernia Corp., New Orleans, La. (M)	2,855,386,000	2,609,649,000	79		109	76
82	Merchants National Corp., Indianapolis (M)	2,849,637,000	N.A.	...		95	87
83	La Salle National Corp., Chicago (M)	2,813,955,000	1,687,187,000	99	+ 16	72	116
84	First American Corp., Nashville, Tenn. (M)	2,656,000,000	2,686,800,000	77		94	73
85	Commerce Bancshares Inc., Kansas City, Mo. (M)	2,491,740,000	1,939,965,000	93	+7	90	84
86	Banks of Mid-America, Inc., Oklahoma City (M)	2,421,592,000	2,200,000,000	85		97	...
87	BancOklahoma Corp., Tulsa (M)	2,383,790,000	2,129,204,000	87		101	...
88	First Tennessee National Corp., Memphis (M)	2,335,380,000	1,983,270,000	91	+3	96	78
89	Liberty National Bancorp, Inc., Louisville, Ky. (M)	2,318,109,000	2,218,519,000	84		111	112
90	South Carolina National Corp., Columbia (O)	2,298,041,000	1,902,713,000	94	+4	84	80
91	Union Bank, San Francisco (B)	2,213,739,000	2,073,583,000	88		66	...
92	Florida National Banks of Florida, Jacksonville (M,g)	2,200,478,000	1,984,806,000	90		83	67
93	Firstier Inc., Omaha, Neb. (O)	2,166,566,000	1,962,139,000	92		92	138
94	Cullen/Frost Bankers Inc., San Antonio (M)	2,060,488,970	2,298,355,988	83		86	113
95	First American Bankshares, Washington, D.C. (M)	1,907,324,000	1,725,899,000	97	+2	87	51
96	Valley Capital Corp., Las Vegas, Nev. (M)	1,893,912,000	1,729,995,000	96		...	...
97	Northeast Bancorp, Inc., New Haven, Conn. (M)	1,892,030,000	1,661,653,000	100	+3	93	114
98	First Security Corp., Salt Lake City, Utah (M)	1,891,911,000	1,551,495,000	103	+5	108	85
99	Huntington Bancshares Inc., Columbus, Ohio (M)	1,872,942,000	1,699,640,391	98		78	50
100	Premier Bancorp, Inc., Baton Rouge, La. (O)	1,782,805,000	2,058,795,000	89		112	102
	TOTALS FOR THE TOP 100 FIRMS[1]	**$1,375.8 Bil.**	**$1,153.1 Bil.†**	**+19.3%**			

Data Source: American Banker survey of the largest commercial banking companies and nondeposit trust companies in the nation. **Discretionary assets:** assets of accounts over which a firm is authorized to make investment decisions. Includes assets in accounts for which the firm recommends, but does not make, investments. Also included are assets of accounts where the firm shares investment power. **Trust Inc. Rank:** The rank based on gross trust and custodian income for 1989. **Asset rank 1989:** The rank based on the total assets of the commercial holding company as of 12/31/89. **(a)**— The 1988 data do not include Irving Bank Corp., acquired 12/88. **(b)**— The 1989 data include NCNB Texas National Bank, and the 1988 data do not. NCNB Texas— which became a subsidiary of the NCNB Corp. in Aug. 1989— ranked 21st in 1988 with $16.3 billion in managed assets. **(c)**— The 1989 data does not include MVestment Corp., which was acquired from MCorp. MVestment Corp — now called Ameritrust Texas— had $6.9 billion in managed assets last year, ranking MCorp 53d in this year's listing. Had the consolidation taken place at yearend, Ameritrust Corp. would have ranked 20th with $21.2 billion in assets. **(d)**— On March 5, CoreStates acquired First Pennsylvania. Had the merger taken place at yearend, CoreStates would have ranked 21st with $20.9 billion in assets. **(e)**— All trust activities are performed by Security Trust Co. NA, Washington, D.C. **(f)**— MNC acquired Equitable Bancorp., Baltimore, on Jan. 18. Had the merger taken place at yearend, MNC would have ranked 41st with $9.7 billion in assets. **(g)**— On Jan. 29, First Union Corp. acquired Florida National Banks of Florida. Had merger taken place on Dec. 31, First Union would rank 39th with $10.4 billion in assets. **(h)**— Became a holding company in 1989. In 1988, data for two group members were reported: Bessemer Trust Co. NA, New York ranked 72d with $3 billion in assets and Bessemer Trust Co., Woodbridge, N.J. ranked 86th with $2.1 billion in assets. **(i)**— Data are for MVestment Corp. MCorp sold MVestment Corp., its trust subsidiary, to Ameritrust Corp. for $105 million in cash and $15 million in a 5-year, interest-bearing note. **(j)**— Society Corp. acquired Trustcorp on Jan. 5. Had the merger taken place at yearend, Society would have ranked 37th with $10.95 billion in managed assets. **(†)**— Revised since publication on 6/27/89. **(‡)**— Rank firm would have had, if revised data had been received earlier. **(•)**— Data and rank are pro forma. Company was formed 1/30/89. **(1)**— The 1988 total is for the top 100 firms that year. **(B)**— Bank not contolled by a U.S. bank holding company. **(M)**— A multibank holding company. **(O)**— A one-bank holding company. **(T)**— Trust company not contolled by a U.S. bank holding company.

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Trust Business Emerged From Doldrums Last Year

Continued from *page* **1**

some of the top banks, reflecting a shakeout similar to that in other banking businesses such as credit cards and mortgage servicing.

According to the *American Banker* trust ranking, Bankers Trust New York Corp., the perennial leader in discretionary trust assets, remained on top, with a 29% increase to $104 billion on Dec. 31. (See tables beginning on page 8.)

Citicorp displaced J.P. Morgan & Co. as the leader in total trust income, jumping 6% to $477 million while Morgan declined 2% to $446 million.

The Bank of New York Co. and NCNB Corp. made big gains in the top 100 rankings in terms of both assets and income as they consolidated the activities of acquired banks.

At many of the largest banks, trust income is increasing as a percentage of total operating income. Meanwhile, they find themselves in an increasingly competitive market, particularly in personal trust, in which their investment management must outperform brokerage companies and insurance companies.

Some Becoming Selective

Price slashing and consolidation are causing the big to get bigger, and some banks are becoming selective by exiting some aspects of corporate trust and personal trust.

Citicorp rose to the top spot in trust income – it was seventh in assets with $45.7 billion – even though it dropped two trust businesses two years ago.

One of the beneficiaries of consolidation is Bankers Trust, which has acquired significant trust businesses in the past three years from Bank of California, European American Bank, and Wells Fargo & Co. Last year, Bankers Trust became the first bank to surpass $100 billion in the market value of discretionary assets.

"We are getting requests for proposals to acquire other businesses," said B.J. Kingdon, senior vice president at Bankers Trust. "Some of the players in this field are looking to drop out. Either you are in it in a big way or you are just another player."

"We expect that consolidation will continue, as it will in all areas of U.S. banking," said John S. Sutfin, executive vice president of Northern Trust, which ranked ninth in assets and eighth in income.

Top Tier Rule Internationally

Bankers and industry observers say there is room for competition on a regional level, but not on the national and international level where the top tier of banks dominate and where the required investment in technology is enormous.

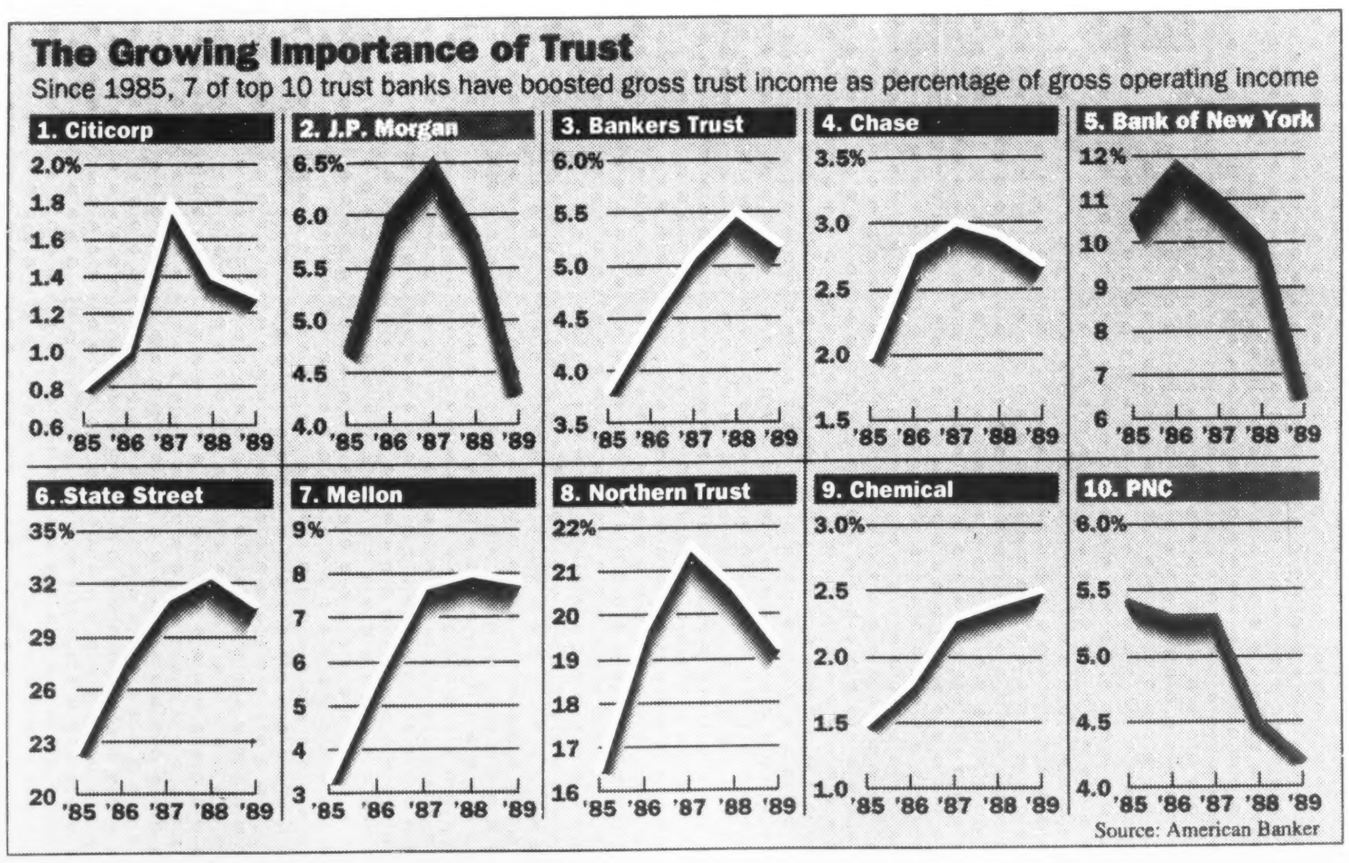
Seven of this year's top 10 trust providers earned a higher percentage of their income from trust fees in 1989 than in 1985, according the *American Banker* statistics. That growth is evidence that trust departments are meeting bankers' expectations in generating fees to offset the dwindling returns from commercial lending.

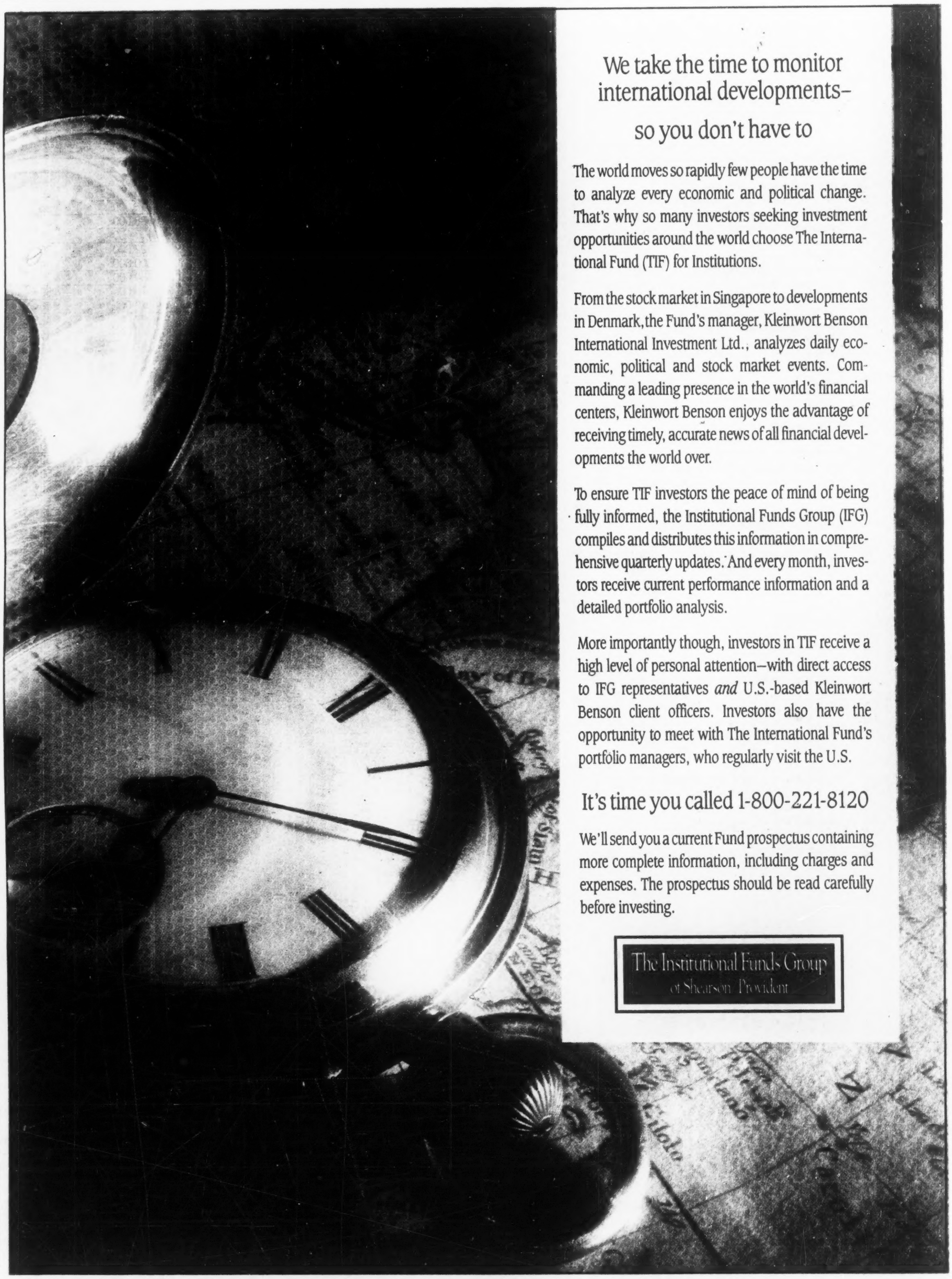
"We are seeing the resurgence of a business that in the darling days of commercial lending was yesterday's act," said Robert M. Boyles, executive vice president at Mellon Bank Corp., another of the top 10 trust banks. Behind that resurgence, bankers say, is the fundamental strength of the trust business: No capital reserves are needed, risk is low, and earnings growth is steady, although computer and communications expenditures can be substantial.

No Room at the Top

Those fundamentals may seem attractive to many banks,

See **TRUST** *page* **11**


The Growing Importance of Trust
Since 1985, 7 of top 10 trust banks have boosted gross trust income as percentage of gross operating income
1. Citicorp
2. J.P. Morgan
3. Bankers Trust
4. Chase
5. Bank of New York
6. State Street
7. Mellon
8. Northern Trust
9. Chemical
10. PNC
'85 '86 '87 '88 '89
Source: American Banker



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TRUST BANKING

Top 100 Firms in Discretionary Trust Assets

Listed geographically and within states by managed trust assets on Dec. 31, 1989 (millions of dollars)

1989		Trust Assets 12/31/89	No. of Subs.	Affil. Inv. Adv. Subs.
	ALABAMA			
69	AmSouth Bancorp., Birmingham	4,493	1	No
	ARIZONA			
80	Valley National Corp., Phoenix	2,883	2	No
	CALIFORNIA			
3	Wells Fargo & Co., San Francisco	80,041	2	Yes
12	Capital Guardian Trust Co., Los Angeles	27,429	0	No
18	Security Pacific Corp., Los Angeles	23,136	16	Yes
19	First Interstate Bancorp., Los Angeles	22,452	21	No
48	BankAmerica Corp., San Francisco	7,264	2	No
49	Trust Services of America, Inc., Los Angeles	7,242	0	No
63	BanCal Tri-State Corp., San Francisco	5,089	1	No
91	Union Bank, San Francisco	2,214	0	0
	COLORADO			
66	United Banks of Colorado, Denver	4,850	8	No
77	Affiliated Bankshares of Colorado, Inc., Denver	3,100	N.A.	N.A.
	CONNECTICUT			
31	Shawmut National Corp., Hartford	12,319	11	Yes
97	Northeast Bancorp., Inc., New Haven	1,892	1	No
	DELAWARE			
17	Wilmington Trust Co.	23,279	0	No
	DISTRICT OF COLUMBIA			
78	Riggs National Corp., Washington, D.C.	3,085	4	Yes
95	First American Bankshares, Washington, D.C.	1,907	5	No
	FLORIDA			
67	Barnett Banks, Inc., Jacksonville	4,779	1	No
75	Southeast Banking Corp., Miami	3,290	N.A.	N.A.
92	Florida National Banks of Florida, Jacksonville	2,200	2	Yes
	GEORGIA			
16	SunTrust Banks, Inc., Atlanta	23,290	N.A.	N.A.
46	Citizens & Southern Corp., Atlanta	8,151	7	Yes
	HAWAII			
73	Bancorp Hawaii, Inc., Honolulu	3,800	1	No
	ILLINOIS			
9	Northern Trust Corp., Chicago	35,502	9	Yes
14	First Chicago Corp.	23,691	17	No[1]
22	Harris Bankcorp., Inc., Chicago	18,629	10	Yes
30	Continental Bank Corp., Chicago	12,449	3	Yes
83	La Salle National Corp., Chicago	2,814	1	0
	INDIANA			
61	INB Financial Corp., Indianapolis	5,312	3	0
82	Merchants National Corp., Indianapolis	2,850	N.A.	N.A.
	KENTUCKY			
89	Liberty National Bancorp, Inc., Louisville	2,318	N.A.	N.A.
	LOUISIANA			
81	Hibernia Corp., New Orleans	2,855	1	0
100	Premier Bancorp, Inc., Baton Rouge	1,783	1	Yes
	MARYLAND			
44	MNC Financial, Inc., Baltimore	8,637	5	Yes
50	Mercantile Bankshares Corp., Baltimore	7,202	N.A.	N.A.
	MASSACHUSETTS			
5	State Street Boston Corp.	55,948	1	No
25	Boston Safe Deposit & Trust Co.	14,504	0	No[2]
29	Bank of New England Corp., Boston	12,898	10	Yes
35	Fidelity Management Trust Co., Boston	11,176	0	No
36	Bank of Boston Corp.	10,992	15	No
	MICHIGAN			
24	Manufacturers National Corp., Detroit	16,322	4	Yes
27	NBD Bancorp., Inc., Detroit	13,739	N.A.	N.A.
55	Comerica Inc., Detroit	6,070	10	Yes
64	First of America Bank Corp., Kalamazoo	4,973	N.A.	N.A.
65	Old Kent Financial Corp., Grand Rapids	4,931	3	No
	MINNESOTA			
28	First Bank System, Minneapolis	13,105	10	No
41	Norwest Corp., Minneapolis	9,140	13	Yes
	MISSOURI			
13	Boatmen's Bancshares Inc., St. Louis	25,238	14	No
43	Mercantile Bancorp., Inc., St. Louis	8,892	10	Yes
62	United Missouri Bancshares Inc., Kansas City	5,152	2	No
85	Commerce Bancshares Inc., Kansas City	2,492	N.A.	N.A.
	NEBRASKA			
93	Firstier Inc., Omaha	2,167	3	No
	NEVADA			
96	Valley Capital Corp., Las Vegas	1,894	1	No
	NEW JERSEY			
33	First Fidelity Bancorporation, Lawrenceville	11,700	6	No
51	Midlantic Corp., Edison	6,926	9	0
52	Bessemer Group, Inc., Woodbridge	6,889	4	No
	NEW YORK			
1	Bankers Trust New York Corp.	104,300	15	Yes
2	J.P. Morgan & Co., Inc., New York	82,200	N.A.	N.A.
7	Citicorp, New York	45,667	52	Yes
8	Chase Manhattan Corp., New York	40,540	6	Yes
10	Bank of New York Co., Inc.	33,815	N.A.	N.A.
11	Chemical Banking Corp., New York	33,602	31	Yes
20	Fiduciary Trust International, New York	18,767	0	0
23	U.S. Trust Corp., New York	18,021	N.A.	N.A.
34	Manufacturers Hanover Corp., New York	11,502	11	Yes
57	Marine Midland Banks, Inc., Buffalo	5,537	2	Yes
70	KeyCorp, Albany	4,296	9	Yes
	NORTH CAROLINA			
15	NCNB Corp., Charlotte	23,300	4	No
37	First Wachovia Corp., Winston-Salem	10,583	2	No
45	First Union Corp., Charlotte	8,214	4	No
	OHIO			
21	National City Corp., Cleveland	18,704	13	No
26	Ameritrust Corp., Cleveland	14,000	N.A.	N.A.
32	Banc One Corp., Columbus	11,850	13	Yes
56	Fifth Third Bancorp., Cincinnati	5,761	14	Yes
58	Society Corp., Cleveland	5,515	4	No
59	Trustcorp, Inc., Toledo	5,431	N.A.	N.A.
79	Star Banc Corp., Cincinnati	3,014	8	No
99	Huntington Bancshares Inc., Columbus	1,873	5	No
	OKLAHOMA			
86	Banks of Mid-America, Inc., Oklahoma City	2,422	N.A.	N.A.
87	BancOklahoma Corp., Tulsa	2,384	2	No
	OREGON			
76	U.S. Bancorp., Portland	3,229	3	Yes
	PENNSYLVANIA			
4	Mellon Bank Corp., Pittsburgh	67,539	11	Yes
6	PNC Financial Corp., Pittsburgh	51,808	16	Yes
38	First Pennsylvania Corp., Philadelphia	10,568	3	Yes
39	CoreStates Financial Corp., Philadelphia	10,360	5	Yes
60	Glenmede Trust Co., Philadelphia	5,400	0	No
68	Meridian Bancorp, Inc., Reading	4,582	2	No
72	Integra Financial Corp., Pittsburgh	4,011	7	No
	RHODE ISLAND			
40	Fleet/Norstar Fin'l Group, Inc., Providence	10,352	7	Yes
	SOUTH CAROLINA			
90	South Carolina National Corp., Columbia	2,298	1	Yes
	TENNESSEE			
84	First American Corp., Nashville	2,656	N.A.	N.A.
88	First Tennessee National Corp., Memphis	2,335	1	Yes
	TEXAS			
53	MCorp, Dallas	6,863	1	No
74	First City Bancorporation of Texas, Inc., Houston	3,493	13	No
94	Cullen/Frost Bankers Inc., San Antonio	2,060	4	No
	UTAH			
98	First Security Corp., Salt Lake City	1,892	2	No
	VIRGINIA			
42	Sovran Financial Corp., Norfolk	9,048	4	Yes
54	Crestar Financial Corp., Richmond	6,841	4	Yes
	WISCONSIN			
47	Firstar Corp., Milwaukee	7,378	9	No
71	Marshall & Ilsley Corp., Milwaukee	4,106	5	Yes

Data Source: American Banker survey questionnaire mailed to the largest trust firms in the nation. **Number of subsidiaries engaged in trust activity:** *American Banker* asked respondents to indicate the number of commercial bank subsidiaries, nondeposit trust companies, affiliated investment adviser subsidiaries, and all other subsidiaries engaged in trust activities in 1989. The number shown is the sum of all these subsidiaries. **Affiliated Investment Adviser Subsidiaries:** This column indicates whether or not the firm has an affiliated investment advisor subsidiary or subsidiaries. "Yes" indicates the firm has such a subsidiary and "No" indicates it does not. **N.A.**— If a firm did not respond to the *American Banker* questionnaire, it was sent a mailgram version of the survey questionnaire. The mailgram did not ask for the number of subsidiaries engaged in trust activities. Thus, for these firms, the data are not available. **(1)**— Sold First Chicago Investment Advisors in 1989. **(2)**— Its parent, the Boston Co., has four affiliated investment advisers managing $16.2 billion in trust assets.

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The 10 Largest Gains in Trust Assets Among Top 100 Firms in Assets

		Trust Assets 1989	Trust Assets 1988	Percent Increase	Asset Rank
1	Boston Safe Deposit & Trust Co.	14,504,407,000	4,288,691,000	238.20	25
2	NCNB Corp., Charlotte, N.C.	23,300,000,000	7,886,614,000	195.44	15
3	Bank of New York Co., Inc.	33,814,653,000	15,007,900,000	125.31	10
4	La Salle National Corp., Chicago	2,813,955,000	1,687,187,000	66.78	83
5	Bancorp Hawaii, Inc., Honolulu	3,800,061,000	2,375,850,000	59.95	73
6	First of America Bank Corp., Kalamazoo	4,972,640,000	3,133,415,000	58.70	64
7	State Street Boston Corp.	55,948,011,000	38,400,000,000	45.70	5
8	Manufacturers Hanover Corp., New York	11,501,700,000	7,987,276,000	44.00	34
9	Glenmede Trust Co., Philadelphia	5,400,000,000	3,910,988,645	38.07	60
10	KeyCorp, Albany, N.Y.	4,295,574,000	3,171,411,677	35.45	70

The Largest Losses in Trust Assets

		Trust Assets 1989	Trust Assets 1988	Percent Decline	Asset Rank
1	Bank of Boston Corp.	10,992,000,000	13,734,700,000	19.97	36
2	MCorp, Dallas	6,863,398,835	7,967,797,924	13.86	53
3	Premier Bancorp, Inc., Baton Rouge	1,782,805,000	2,058,795,000	13.41	100
4	First Chicago Corp.	23,691,000,000	27,354,497,000	13.39	14
5	Cullen/Frost Bankers Inc., San Antonio	2,060,488,970	2,298,355,988	10.35	94

NOTE

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